

Corruption in France/A Frustrated Public Strikes Back

The Old Elite Cry Foul Over Young Judges' Pursuit

By Nathaniel C. Nash
New York Times Service

PARIS — For decades in France, it has been an open secret that the nation's business and political elite had intimate and mutually beneficial ties — far more blatant ones than in other countries.

French industrial giants channeled campaign contributions through offshore bank accounts, and in return their exports were promoted by government officials.

Within France they were given captive markets, and bribes were considered a necessary cost of doing business. In addition, politicians and chief executives alike were kept mostly beyond the reach of the criminal courts.

But that cozy relationship has been shaken by a series of corruption cases brought against some of the barons of industry. Corporate chiefs have been hauled into court and interrogated, on charges that include defrauding shareholders, illegal political financing, fraudulent invoicing and using company funds to remodel home bathrooms.

What is happening, political analysts say, is a kind of 20th century version of the French Revolution — a generational struggle between young, idealistic, rambunctious judges on the lower end of the pay scale and the 60-something members of the establishment who wonder why their power, perks and big salaries are suddenly being questioned.

And all this comes as government-controlled companies are privatized and thrown into a competitive global economy.

Not surprisingly, members of the old guard are indignant, complaining that the scandals will hurt their export markets — and, broadly, that Anglo-Saxon values are being imposed on Gallic corporate governance. Politicians are also presumably indignant, but are mute about the scandals with a presidential election looming in late April.

WHILE some historians and legal experts say the investigations may be going too far, they quickly add that the corporate and political establishment has long exercised political clout with a fierce impunity, and this is the backlash.

"We are going through in France what Italy went through five years ago — the courts beginning to take on the corrupt aspects of the large industrial groups," said Thierry Jean-Pierre, a former judge who now is a member of the European Parliament.

The latest and most prominent case involves Alcatel Alsthom, the world's largest maker of telecommunications equipment and France's second-largest privately owned company.

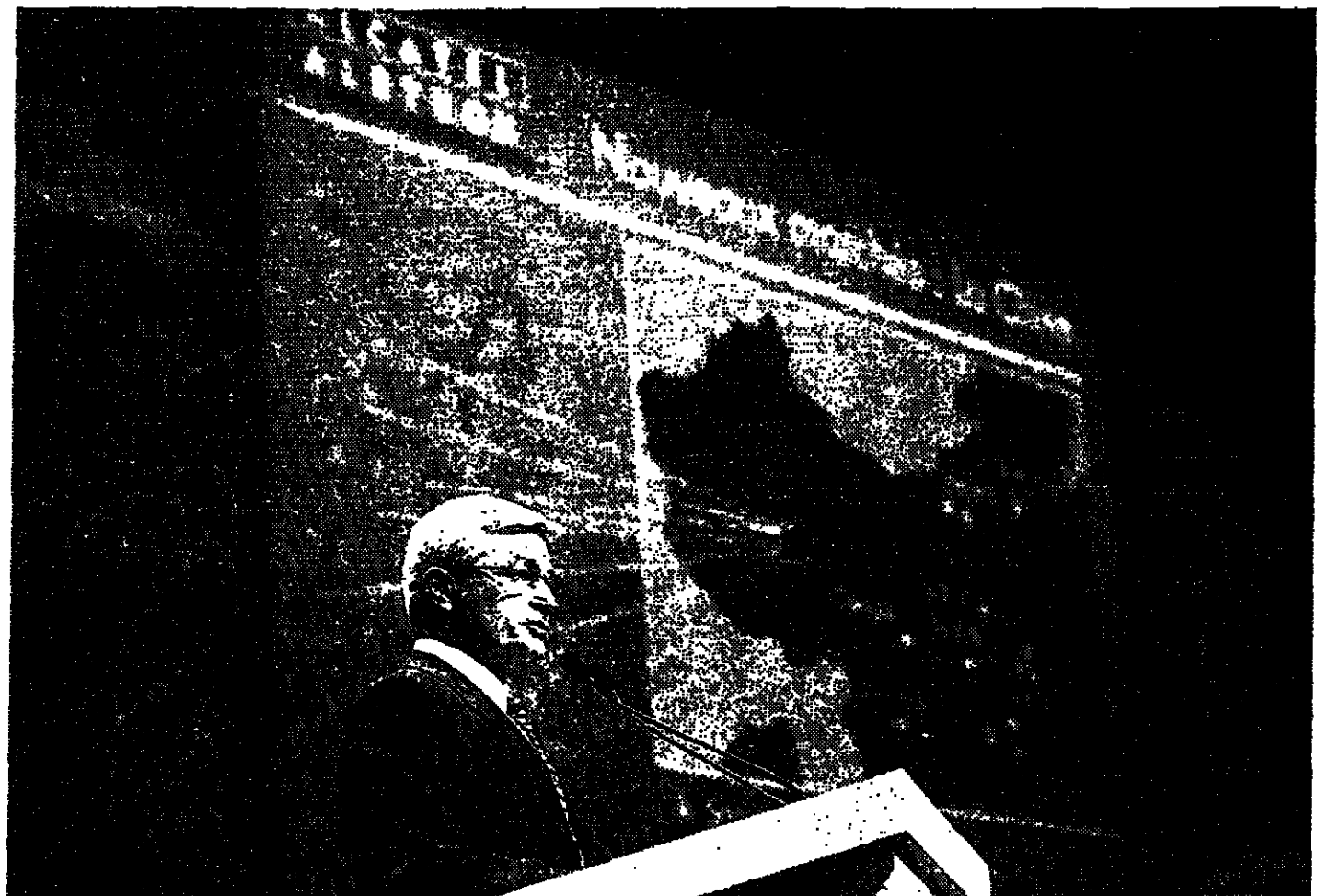
On March 10, its chairman, Pierre Suard, was barred from the executive suite by a French judge investigating him for using corporate funds to remodel his homes and for his alleged involvement in a scheme to overcharge France Telecom, Alcatel's largest corporate customer, by more than \$100 million.

On March 15, on national television, Mr. Suard denied all the charges, saying he was the subject of persecution by disgruntled former employees and a misguided judiciary.

The next day, an association of judges expressed outrage, saying its members were "dumbstruck" by Mr. Suard's "surreal appearance."

On Friday, a second judge said he had uncovered an Alcatel account in Brussels that had allegedly channeled up to \$20 million to accounts operated by French political parties.

Analysts say the Alcatel case has captured



Mr. Suard, in easier times, addressing a meeting of Alcatel Alsthom shareholders at the Palais des Congrès in Paris.

the public imagination because it embodies so much of the pent-up frustration with the power elite.

"It is a French tradition that a lot of high managers come from the top ranks of the civil servants," said Hervé Joly, a political analyst in Lyon. "Alcatel is one of the best examples of this system."

FOR the company and Mr. Suard, the trouble began in 1993, when two employees of Alcatel CIT, a subsidiary, were arrested for setting up a false-invoicing system in which they contracted work to companies they controlled and had Alcatel pay exorbitant fees.

To defend themselves, Mr. Suard claims, the two men began fingering top company executives.

On July 4, the police went to Mr. Suard's home and questioned him about renovations done on the apartment he owned in a Paris suburb and on a three-apartment building he had built for himself, his son and his daughter.

That same evening, he came face to face with his future nemesis, Judge Jean-Marie d'Huy, who informed him that he had been placed under formal investigation for misuse of corporate funds.

By year's end the judge had jailed Pierre Guichet, the head of Alcatel CIT, for 12 days on charges that he was part of the scheme to overcharge France Telecom.

Mr. Suard has yet to spend any time in jail; he has not been brought before a grand jury or indicted. Under French law, judges have wide latitude to place anyone they consider involved in a crime under investigation and to detain them, almost indefinitely.

For his part, Mr. Suard, an intense man with neatly combed silver hair, a square face and gentle eyes, protests his innocence.

Over a recent lunch, he said he had personally paid for the renovations to his home and had shown the checks to the judge. And he saw no problem with the company paying for a security system, especially after the government had recommended that companies protect top executives after the murder of the chairman of Renault in 1986.

"I never imagined I could have been a victim of this type of injustice," he said. He said he paid the \$60,000 bill to install the telephone system in his new apartment building. "No one in France could believe that I, head of Alcatel, actually paid for my own telephone installation," he said.

Most of all, he said, he felt helpless against repeated leaks from the courts. "All damages to my honor and to Alcatel have been made by one man, one judge, under the control of nobody," he said. "And I have not been permitted to defend myself."

Judge d'Huy declined requests for interviews.

SOME French judges pursuing the corruption cases have become almost folk heroes, although to a lesser extent than in Italy. Mr. Jean-Pierre, for example, who brought some early cases, was elected to the European Parliament on an anti-corruption platform.

In the past, judges have often been kept in check by politicians who remove them if they step out of line. But Prime Minister Edouard Balladur, a presidential candidate, has given the courts more freedom and interfered less, political analysts say.

That liberalism has come back to sting Mr. Balladur, who has seen his once big lead in the polls erode, in part because of his close ties to Mr. Suard and others caught up in the corporate scandals.

When Mr. Balladur was finance minister, from 1986 to 1988, he named Mr. Suard to head Compagnie Générale d'Electricité, which became Alcatel after its privatization a year later.

BEFORE joining the cabinet, Mr. Balladur had been head of GSE, a software subsidiary of the company, and rejoined the company as a part-time adviser after leaving the Finance Ministry in 1988.

Over the next five years he made almost \$2 million in capital gains and fees from GSE. He has not been accused of any illegal activities, and he had repeatedly refused to disclose his compensation until last week.

Mr. Suard insisted he would not resign. Yet he is likely to face some pressure from Alcatel shareholders, for reasons quite separate from Judge d'Huy's investigations.

Last year, because of troubles in Germany, Turkey and Brazil, the company's profits plunged 40 percent, sending its stock price reeling. The company's biggest shareholder, ITT Corp., which holds 7 percent of Alcatel's shares, appears to be upset.

Though it has made no official statement, press reports in Paris last week were filled with thinly veiled warnings from ITT that Alcatel could ill afford a management crisis. Until Mr. Suard's judicial fate is clear, the reports said, he might want to step aside.

Conservative Dons
A Mantle of Change
Chirac Becomes Phenomenon
Of French Presidential RaceBy Craig R. Whitney
New York Times Service

TOURS, France — Jacques Chirac, the mayor of Paris who has run for the French presidency and lost twice, now looks set to win on his third attempt, unless every opinion poll is wrong or some nasty surprise turns up before the runoff on May 7.

Mr. Chirac surged past his fellow conservative, Prime Minister Edouard Balladur, in the polls a month ago to become the favorite to succeed President François Mitterrand, a Socialist who is ending his second seven-year term.

How Mr. Chirac, a 62-year-old conservative, has managed to make himself the image of change incarnate is the phenomenon of the 1995 presidential campaign.

His supporters say he has done it by patiently cultivating the grass roots since the summer of 1993 and listening to what voters say they want. With unemployment stuck at over 12 percent and French industries struggling under the burdens of an expansive welfare state, what many voters want is change, and Mr. Chirac has convinced a lot of them that he can deliver.

Although himself a graduate of the elite School of National Administration, Mr. Chirac says he wants to free France from technocrats and restore egalitarian values that have given the country vitality for 200 years. He has promised job creation by making it less costly for businesses to hire new employees.

By now, Mr. Chirac is greeted by big crowds wherever he goes. Five thousand people — students and pensioners, farmers and workers — packed a fairgrounds hall outside Tours, about 200 kilometers (125 miles) southwest of Paris, on Tuesday night.

"What I expect from him if he wins is a big reduction in unemployment," said Jean-Charles Farmonand, a 28-year-old who lost his job as a supermarket clerk.

Another supporter, Marie-Jeanne Avril, said: "I'm here because I'm an old Gaul. For 45 years I've been voting for the general, even though he left us long ago, and this time I'll vote for Chirac."

Mr. Chirac founded his and Mr. Balladur's party, Rally for the Republic, in 1976 to perpetuate the legacy of President Charles de Gaulle, the founder of the Fifth Republic. He often shares the general's stubborn vision of France in a Europe of

proudly separate countries rather than as part of a federal United States of Europe.

Part of the Paris mayor's appeal has been that, unlike the stiff Mr. Balladur, Mr. Chirac seems to enjoy rubbing elbows with voters and to be at ease with himself. On his campaign tour, for example, his slicked-back hair looked in need of a trim.

But Mr. Chirac's personal image is carefully thought out, as is the impassioned delivery of his standard campaign speech. His hourlong speech here was often drowned out by cheers.

"I refuse the idea that one France, more and more people all the time, is doomed to be left behind while the other is more and more heavily taxed to come to its aid with welfare instead of jobs," he told the crowd. "We have to break this vicious circle."

More and more people are apparently convinced that he has the right answers. Two public opinion polls published on Tuesday showed Mr. Chirac pulling further ahead of both his Socialist opponent, Lionel Jospin, and Mr. Balladur.

With at least four other candidates expected to be in the race, Mr. Chirac could win about 29 percent of the vote in the election's first round on April 23, the two surveys indicated, with as much as 22 percent for Jospin and 17 percent for the prime minister.

A poll for the weekly magazine L'Express showed Mr. Chirac could handily defeat either candidate in the runoff between the two top vote-getters on May 7.

Though he served as prime minister under Mr. Mitterrand from 1986 to 1988, Mr. Chirac seldom mentions him by name. He ran against Mr. Mitterrand in 1988 for the presidency, and lost.

When the conservatives won the parliamentary elections in March 1993, Mr. Chirac chose to stay in city hall and let Mr. Balladur find out the hard way what it was like to be prime minister and run for president at the same time.

If he has been vindicated by that choice, Mr. Chirac also has some things to live down.

One of them is what critics characterized as a chauvinist appeal to the nation made at the end of 1978, when he called for a disavowal of Valéry Giscard d'Estaing's pro-European policies, and spoke darkly of the menace of "the foreigners' party." Ever since, some politicians in Germany have questioned what relations with France would be like if Mr. Chirac became president.

German prowess remains very much on Mr. Chirac's mind. Speaking of the possibility of establishing a common European currency by the end of the decade, Mr. Chirac said he might call for a referendum to be sure France wanted to merge the franc with the German mark and other European bills.

"The core of the problem, as General de Gaulle often said, is not whether we surrender this or that bit of sovereignty, but whether we do so on the same terms as Germany does," he said.

Belgian Airline Bares
Bangladeshi Writer

Agence France-Press

BRUSSELS — The Belgian airline Sabena barred the Bangladeshi feminist writer Taslima Nasreen from taking a flight to Brussels, to the embarrassment of the Belgian government, which apologized on Thursday.

Miss Nasreen, who is under a death threat by Islamic fundamentalists for allegedly anti-Islamic views, had been invited to a conference here this week and was to receive an honorary doctorate from the University of Ghent.

Belgian Resignation Hurts Claes's Case

By Tom Buerkle
International Herald Tribune

BRUSSELS — Willy Claes faced renewed pressure to step down as secretary-general of NATO on Thursday after the resignation of Belgium's foreign minister, a close political colleague, over the country's deepening corruption scandal.

Belgian newspapers and some leading politicians said it was increasingly hard to believe that Mr. Claes was unaware of secret financing for the country's Flemish Socialist Party after Foreign Minister Frank Vandenbroucke acknowledged on Wednesday that he had or-

dered a party official to burn money stashed in a safe-deposit box in 1991.

Mr. Vandenbroucke, who was party president at the time, resigned, claiming he was naive but had violated no laws. Mr. Claes was economics minister and one of the party's most senior leaders at the time.

It was the latest revelation in a scandal centering on alleged "gifts" to the Socialists from major defense contractors. The affair has tarnished the image of much of the country's political class and raised prospects of a drubbing for the four-party coalition government in national elections on May 21.

"I note that Vandenbroucke resigned in an affair in which I do not know if his responsibility is involved," Gérard Deprez, president of the country's French-speaking Christian Democratic Party, PSC, told Belgian radio. "I note that for the moment, Claes is not resigning while a lot of elements would lead one to think he could hold greater responsibility than Vandenbroucke. I am perplexed."

Mr. Claes avoided reporters at the headquarters of the North Atlantic Treaty Organization here, but a spokesman said he continued to enjoy the support of all alliance members. A spokesman for the American delegation said Mr. Claes retained the "full and complete confidence" of Washington.

But sources at NATO conceded that the attention generated by the scandal was unwelcome.

Mr. Vandenbroucke's disclosure also thrust new attention on Karel van Miert, a European commissioner who preceded him as party president. The

magazine Knack, which broke the story, said the slush fund came to light only in 1991 when Mr. van Miert's companion, Carla Galle, quit as party secretary and handed over the key to the safe-deposit box to her replacement.

"It is about time that Willy Claes and Karel van Miert showed their faces," said an editorial in the newspaper Het Volk. A commission spokesman declined to comment on Thursday.

Mr. Claes came under pressure last month when he reversed previous denials and acknowledged having been aware that an Italian company, Augusta, offered money to the party after it won an 8 billion Belgian franc (\$275 million) helicopter order in 1988. Mr. Claes helped negotiate the contract as economics minister, and his chief aide at the time, Johan Delanghe, was arrested last month in the case.

Mr. Claes and Mr. Vandenbroucke, who also admitted knowledge of the offer, both said they rejected the money.

Nigeria Relaxes
Curb on General
After Carter Plea

Washington Post Service

LAGOS — A former Nigerian head of state accused of taking part in a coup attempt was released from detention Thursday after the country's military rulers bowed to pleas made earlier this week by former President Jimmy Carter.

But government officials said General Olusegun Obasanjo was restricted to his hometown in southwestern Nigeria.

General Obasanjo, arrested on March 13, led the nation's only transition to civilian rule during his tenure as military head of state from 1976 to 1978.

This week, Mr. Carter, on a mission related to a disease control program, met with General Sani Abacha, urging him to release General Obasanjo, a former deputy, and the publishing magnate Moshood K. O.

Abiola. Mr. Abiola was arrested last summer after declaring himself winner of annulled presidential elections in June 1993.

TRAVEL UPDATE

Cease-Fire Gives Belfast Tours a Lift

BELFAST (Reuters) — Tours of Belfast, a city that until six months ago was under siege, began on Thursday after cease-fires by the IRA and its loyalist foes have opened up the city's Protestant and Catholic communities. The Northern Ireland Tourist Board said that tourism inquiries had reversed a 7 percent drop last year and that hotel reservations were up 155 percent.

Officially billed as "Belfast, a Living History," the two-hour trip takes in conventional attractions such as City Hall, the seat of power for the 60 percent Protestant majority for decades and the handsome 1849 Queens University. But it will also include a visit to the Falls Road in West Belfast's Catholic heartland, an area synonymous with Irish nationalism and the IRA, which fought British rule for 25 years until the cease-fire.

The tour also includes Milltown Cemetery, where many Irish republicans are buried, including Bobby Sands, the first of 10 republicans to starve themselves to death in a vain 1981 attempt to win political prisoner status.

Farmers protesting a new socialist tax law blocked Greece's main north-south highway between Athens and Salonika with tractors and other equipment for a fourth day Thursday. About 1,000 trucks, stuck for several days, were allowed through to Athens by farmers on Wednesday after exchanges that threatened to turn violent.

Ground workers at Rome's main airport planned a six-hour strike Friday that should disrupt hundreds of flights and force the cancellation of others. The leaders of four unions said Thursday that they were protesting possible job cuts under a plan to privatize some operations at Leonardo da Vinci airport. The strike was planned from 11 A.M. to 5 P.M. (AP)

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Austria	022-903-074	El Salvador	511	Kuwait	0096-45	Poland	0084-800-415
Bahamas	1-800-385-2111	Fiji Islands	004-890-300-3	Kazakhstan	007-277	Portugal	00351-4-497
Bahrain	800-777	Finland	9000-1-0284	Kenya	254-0077	Puerto Rico	00809-4-497
Barbados	1-800-677-8000	France	19-0087	Latvia	354-0077	Romania	01-800-0877
Belarus	0800-1009	Germany	0130-0013	Lithuania	354-109	Russia (all other)	155-4183
Belize	1-800-423-0877	Ghana	066-009-411	Luxembourg	00352-0115	Saudi Arabia	800-433-4333
Bolivia	0800-3133	Greece	950-1366	Macao	00853-121	Senegal (STD and Intl)	225-0033
Brazil	800-8016	Guatemala	502-400-101	Madagascar	00262-014	Sierra Leone	232-0033
British Virgin Islands	1-800-877-8000	Honduras	502-121	Mexico	91-800-877-8000	Singapore	65-800-77-177
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El Salvador	511	Korea	0096-45	Norway (Intl)	0047-0000	United Kingdom (STD)	0044-0000
Fiji Islands	004-890-300-3	Kuwait	0096-45	Norway (Intl)	0047-0000	United Kingdom (Intl)	0044-0000
Finland	9000-1-0284	Kazakhstan	007-277	Norway (Intl)	0047-0000	Venezuela	800-1111-0
France	19-0087	Kenya	254-0077	Norway (Intl)	0047-0000		
Germany	0130-0013	Latvia	354-0077	Norway (Intl)	0047-0000		
Ghana	066-009-411	Lithuania	354-109	Norway (Intl)	0047-0000		
Greece	950-1366	Luxembourg	00352-0115	Norway (Intl)	0047-0000		
Guatemala	502-400-101	Macao	00853-121	Norway (Intl)	0047-0000		
Honduras	502-121	Madagascar	00262-014	Norway (Intl)	0047-0000		
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THE AMERICAS

Guatemala Army Officer Tied to Killings Was CIA Agent

By Tim Weiner
New York Times Service

WASHINGTON — A Guatemalan military officer who ordered the killings of an American citizen and a guerrilla leader married to an American lawyer was a paid agent of the CIA, according to a member of the House Intelligence Committee.

The intelligence agency knew about the killings ordered by the Guatemalan colonel on his payroll, but concealed its knowledge for years, the committee member, Representative Robert G. Torricelli, Democrat of New Jersey, wrote in a letter to President Bill Clinton.

Moreover, the State Department and the National Security Council learned the facts months ago but did not tell the guerrilla's widow, Jennifer Harbury, who has been petitioning the White House to disclose her husband's fate, the letter said.

A member of the Senate intelligence

committee, which has been briefed on the two killings, confirmed the gist of Mr. Torricelli's statement.

The direct involvement of the Central Intelligence Agency in the murder of these individuals leads me to the extraordinary conclusion that the agency is simply out of control and that it contains what can only be called a criminal element," Mr. Torricelli said in his letter to the president.

The acting CIA director, Admiral William Studeman, said in a statement Thursday that the suggestion that the agency had information about the deaths "at the time they occurred" — and deliberately concealed such information — is a completely false and utterly irresponsible charge.

He said "credible information" about the killings "was acquired by the U.S. intelligence community well after they occurred," Reuters quoted him as saying. "The agency shared all of this information with the appropriate U.S. government authorities."

In an interview, Representative Tor-

ricelli said, "There were no U.S. security concerns in Guatemala that justified a CIA presence there, much less the murder of citizens, including our own."

The congressman said Miss Harbury, a graduate of Harvard Law School, wept when he told her that her husband, a leftist guerrilla named Efraim Barrios Velasquez, had been killed while a prisoner of the Guatemalan military in 1992.

Since last fall she has undertaken hunger strikes in Lafayette Park, across Pennsylvania Avenue from the White House, and in front of the U.S. Embassy in Guatemala to try to learn the truth about his disappearance.

"They say, 'The truth shall make you free,'" Miss Harbury said, citing the inscription from the Gospel of John engraved on the wall of the CIA's lobby.

"And now I feel free. At least I know my husband is free of torture, and I am free of the nightmare that he's suffering somewhere."

She added: "I was told nothing except lies for two and a half years. There is no way out of this for the Guatemalan Army and the State Department and the CIA. They've been caught, for once and for all."

Mr. Torricelli identified the man behind the killings of Mr. Velasquez and Michael Devine, an American who ran a hotel in the Guatemala rain forest and was killed in 1990, as Colonel Julio Roberto Alpirez, a military intelligence officer.

The military in Guatemala has been fighting and killing civilians and leftist guerrillas for most of the last 30 years, in what human rights groups describe as one of the most violent campaigns of political repression in the Western Hemisphere. At least 100,000 civilians have been killed by the security forces since the early 1980s.

In 1990, "at the time of the Michael Devine murder, Colonel Alpirez was a contract employee of the CIA," Mr. Torricelli said. The colonel still had a relationship with the CIA at the time

of Mr. Velasquez's killing in 1992, although it is unclear if he was still a paid agent at the time, Mr. Torricelli added.

"The CIA had direct information about the deaths of both individuals at the time of the murders and there has never been any question about what occurred," he said. "That information was contained in U.S. government cables and extensive internal memoranda. There was never any doubt about who was responsible."

The case of Mr. Devine's slaying, the congressman said, raises the question of whether the CIA has been "withholding material evidence regarding the murder of an American citizen."

Mr. Devine, an innkeeper and tour guide who had lived in Guatemala for 20 years, was kidnapped, bound and nearly decapitated by Guatemalan soldiers. In 1991, the United States stopped military aid to Guatemala, ostensibly as a consequence of the Devine case.

Republicans Divided As They Open War On Welfare System

By Robert Pear
New York Times Service

WASHINGTON — A furious debate over abortion surrounded the ranks of House Republicans, but party leaders ultimately prevailed by a slender margin in the first major vote on their bill to undo more than a half-century of social welfare policy.

By a vote of 217 to 211, the House approved a rule that set the terms of debate on the bill, which would replace several dozen welfare programs with direct cash payments to the states.

The close vote suggested that Republican control of the House on welfare overhaul was more precarious than previously believed, and it emboldened Democrats to step up their attacks on the bill.

The debate started off as a discussion of procedural questions but quickly turned to the merits of the bill itself, and it had a raw, emotional quality. Democrats relentlessly portrayed Republicans as cruel, inhumane and immoral, saying they would throw children into the streets to finance tax cuts for wealthy people.

Republicans said that nothing could be more cruel than the current welfare system — one they said had been perpetuated by Democrats — because it trapped people in poverty.

The vote Wednesday followed intense lobbying by Roman Catholic bishops and by groups opposed to abortion. They argued that the welfare bill, in its effort to reduce out-of-wedlock births, would encourage abortions.

The bill would bar using federal money for cash assistance to children born to unmarried women under the age of 18, and would deny extra assistance for additional babies born to mothers already receiving welfare.

"This is not the way to reduce the number of children on welfare," said Representative Harold L. Volkmer, Democrat of

Missouri, a staunch opponent of abortion. "Killing them is not the way to do it."

The House agreed to let the states provide unmarried teenage mothers with vouchers to buy diapers, clothing and school supplies for children born out of wedlock. But the bill would not allow cash welfare benefits for such women.

The National Abortion and Reproductive Rights Action League and the NOW Legal Defense and Education Fund joined their usual opponents, the Roman Catholic Church and the National Right to Life Committee, in urging lawmakers to vote against the rule and the bill in its present form.

"It's just as wrong to force a woman into an abortion she may not want as to prevent her from getting an abortion she may need," said Kate Michelman, president of the abortion rights action league.

The vote splintered the conservative coalition that has controlled the House for 11 weeks. Among the 15 Republican representatives who voted against the rule on the welfare bill were such prominent conservatives as Henry J. Hyde of Illinois and Christopher H. Smith of New Jersey, a former director of the Right to Life Committee there. They and others opposed the rule because it did not permit them to offer all of the amendments they said were necessary to address their concerns.

Several Republicans from south Florida also voted against the rule, saying they objected to a provision in the bill to deny benefits to legal immigrants who have not become citizens.

The vote contrasted with the party discipline that Republican leaders enforced in earlier votes on other items in their "Contract With America."

Representative David E. Bonior of Michigan, the Democratic whip, said, "The Republicans have hit children very, very hard in this bill, and I think it's caused a backlash among some of their own people."

Sale of Argentine Arms To Ecuador Is Assailed

By Calvin Sims
New York Times Service

BUENOS AIRES — Argentina has been rocked by a corruption scandal involving the illegal sale of 75 tons of weapons to Peru or Ecuador because it is one of four guarantors of the 1942 Rio de Janeiro Protocol, a treaty that was intended to resolve border disputes between the two countries.

As the arms were being flown from Buenos Aires to Ecuador last month, Argentine officials were involved in negotiations with other guarantor nations, the United States, Chile and Brazil, to force a cease-fire between Peru and Ecuador.

Deputy Foreign Minister Fernando Petrella said Thursday that Argentina had been duped by shady arms traffickers into signing what officials thought was an agreement to sell the weapons to Venezuela for \$34 million.

When the shipment was taken to the Buenos Aires airport, its destination papers were changed from Caracas to Guayaquil, Ecuador. The shipment contained 105mm and 155mm

artillery pieces, rifles, pistols, heavy machine guns and mortars.

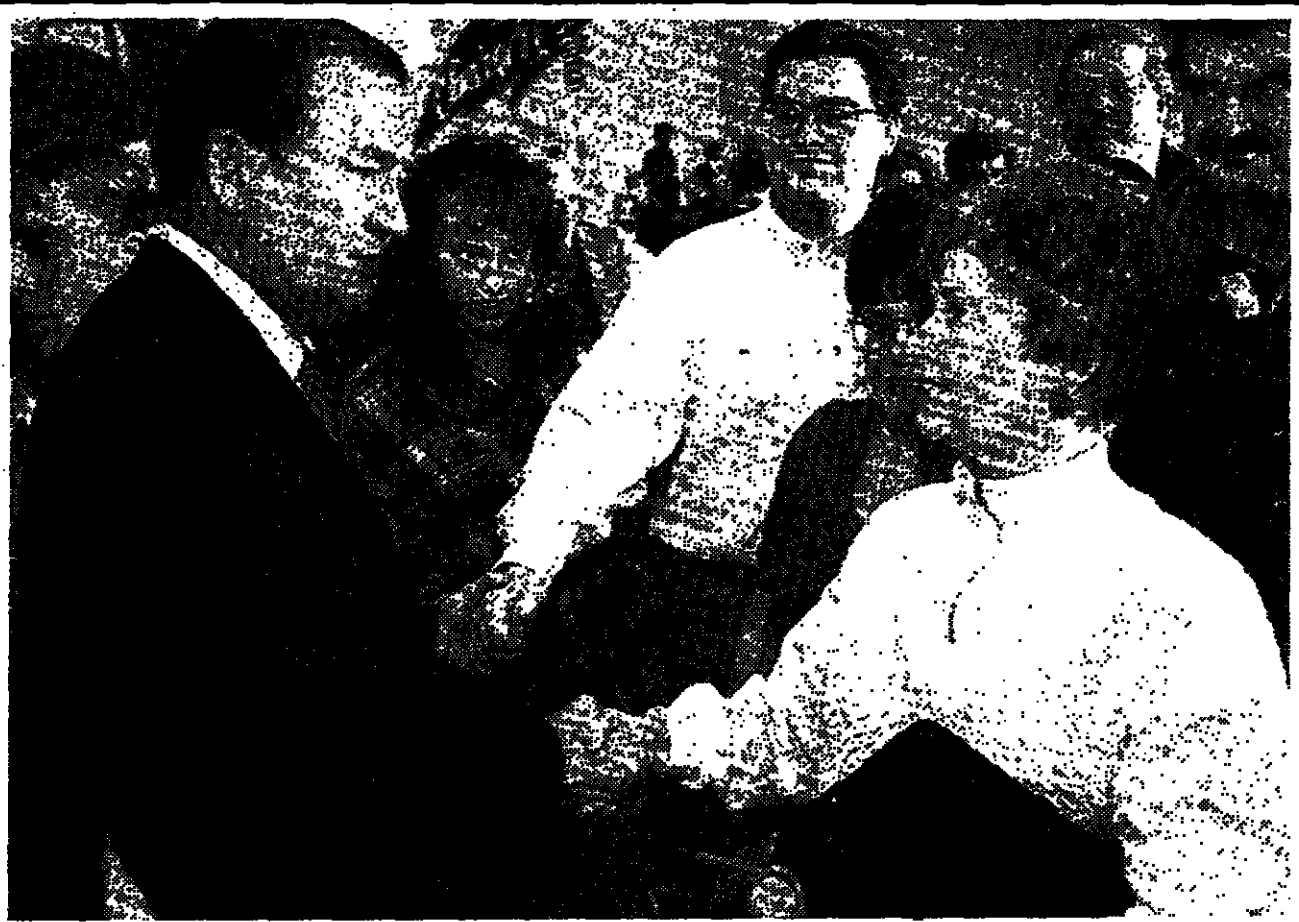
Mr. Petrella said that senior Argentine officials who signed off on the deal, including the finance, defense and foreign ministers, had no knowledge of the change in destination and that the government was conducting a joint investigation into the matter with the United States.

Intelligence officers familiar with the inquiry said the government had determined that arms dealers fabricated documents used to close the sale, forging the signatures of Venezuelan officials, and that Argentine military officials were involved in the deception, providing clearance for the weapons "to be shipped to Ecuador."

For its part, Peru has reacted calmly to disclosures of the arms sale, asking Argentina simply "to explain the confusing episode of the weapons sale" and to conduct an investigation.

Ecuador said in a statement issued by its ambassador here, Julio Correa Paredes: "Officially, Ecuador did not buy arms from Argentina during the conflict. But the Ecuadorian Army buys its weapons in the same manner as any other army would, whose role it is to defend the country."

Venezuelan military officials said that they never ordered or received the weapons from Argentina and that it was not their practice to use an arms dealer.



OFF AND RUNNING — Patrick J. Buchanan, a commentator and candidate for the Republican presidential nomination, at a town meeting in Sioux Falls, South Dakota. He emphasized a return to traditional family values.

Away From Politics

● A former postal worker burdened with a "mountain of debt" was charged with shooting to death four men in a holdup at a small office in Montclair, New Jersey.

The worker, Christopher Green, 29, was arrested at his apartment 4 miles (6.4 kilometers) from the post office. (AP)

● Wolves imported from Canada to Yellowstone National Park in Wyoming are now free to roam their new territory, and officials hope to establish a wolf population there. But officials at the park say the five males and one female have so far proved reluctant to leave their pen, even though biologists put a deer carcass outside as an invitation. (NYT)

● An HIV-positive man convicted of attempted third-degree murder for biting a police officer has been sentenced to 10 years in prison. The man, Ronald Riggins, bit Officer Mason Byrd on the finger during a scuffle with three police officers in November 1993. After the bite, Mr. Riggins smiled at Mr. Byrd and said, "I have AIDS." (AP)

● Three men who shocked a mentally disabled co-worker with an electronic dog collar have been convicted of misdemeanor assault and fined \$100. The workers brought out the collar during a break at MW Manufacturers Inc., a window-manufacturing plant, and put it on their unsuspecting colleague. The collar emits a shock when a button is pressed by remote control. (AP)

● City schools in Washington have been delaying spring baseball season because their insurance policy was canceled. School officials say they have now found enough money to pay \$85,000 in overdue premiums, and hope extracurricular activities can resume Friday. (AP)

● Eight teenagers on their way home from school were wounded by pellets in a drive-by shooting in Birmingham, Alabama. No one was arrested in the attack, which the police said took place in an area plagued by such shootings. One teenager was wounded seriously enough to be hospitalized. (AP)

Guest of Simpson Tells Jurors Of Knapsack on the Driveway

Compiled by Our Staff From Dispatches

LOS ANGELES — A houseguest of O. J. Simpson testified Thursday about a black knapsack that suddenly appeared on the driveway of Mr. Simpson's home on the night his ex-wife and her friend were murdered.

Brian (Kato) Kaelin, a struggling actor propelled into the spotlight by the double murder trial, said a blood spot discovered on the drive by the police was only 18 inches (46 centimeters) from where he first saw the knapsack.

The prosecution has suggested the bag contained bloody clothing Mr. Simpson had worn as he murdered Nicole Brown Simpson and Ronald L. Goldman outside his ex-wife's town house on the night of June 12, 1994.

Prosecutors say the last time it was seen was when Mr. Simpson himself loaded it into a limousine taking him to the airport for a flight to Chicago.

Mr. Simpson has pleaded not guilty in the murders, asserting that he was at home waiting for the limousine when they took place.

Mr. Kaelin said he had noticed the bag by the limousine after he opened the gates to the estate to allow the car in. He said he had initially left his guest house to investigate a loud thumping noise coming from a narrow walkway behind his room.

Mr. Kaelin said that during a phone call he heard three thumps so loud that he feared an earthquake.

Those three thumps are among the most important elements of the prosecution case, as Mr. Kaelin testified that he heard them between 10:40 P.M. and 10:45 P.M. Authorities believe that Mr. Simpson was skulking around his estate at that hour, trying to enter without being noticed and possibly seeking to dispose of evidence.

Detective Mark Fuhrman testified earlier that he found a bloody glove on the walkway behind Mr. Kaelin's room that matched a glove discovered at the murder scene.

Mr. Kaelin said he had offered to load the knapsack into the limousine, but Mr. Simpson had stopped him, saying, "I'll get it."

He testified under questioning from the chief prosecutor, Marcia Clark, that the black bag was the only piece of luggage that Mr. Simpson put in the rear of the car. The rest was loaded by Mr. Kaelin and the limousine driver.

He said that was the last time he saw the knapsack and that he did not know where Mr. Simpson had been between 9:35 P.M. and 10:50 P.M. The prosecution contends that Mr. Simpson committed the murders at about 10:15 P.M. and that he had ample time to drive the 2

miles (3 kilometers) from his mansion to his former wife's home, commit the murders and drive back.

Under cross-examination from one of the defense attorneys, Robert Shapiro, Mr. Kaelin described Mr. Simpson as a "loving father" who cared for his two children by Nicole Simpson, Sydney and Justin.

Mr. Kaelin, who had been Nicole Simpson's houseguest until he moved to Mr. Simpson's mansion in January 1994, said that Mr. Simpson knew his ex-wife was dating other men and did not seem concerned.

But earlier, in reply to Ms. Clark, he said that Mr. Simpson may have asked him to leave Nicole Simpson's residence and move in to a rent-free guest house on his estate because he feared Mr. Kaelin could become romantically involved with his former wife.

Mr. Kaelin also said, during his cross-examination, that he was present during two shouting matches between Mr. Simpson and his ex-wife, but at no time did he see Mr. Simpson strike her.

As his third day on the witness stand ground on, the once-wrecking Mr. Kaelin became increasingly solemn and at one point appeared on the verge of tears as he spoke of the pressures the case has put on him. (Reuters, AP, LAT)

James L. (Bud) Walton Dies at 73, Was Co-Founder of Wal-Mart Stores

The Associated Press

LITTLE ROCK, Arkansas — James L. (Bud) Walton, 73, who took a quieter but no less influential role than his brother Sam in the Wal-Mart discount store chain, died Tuesday after surgery for a stomach aneurysm.

Sam Walton and his younger brother opened the first Wal-Mart Discount City in 1962. Sam, who died in 1992, was the leader in making the company the largest U.S. retailer, while James, as senior vice president and director, specialized in obtaining real estate and building new stores.

Last October, Forbes magazine listed Bud Walton's wealth at \$1 billion, ranking him the 83d richest person in the country. Other Walton relatives are in the top 15.

Moshe Brilliant, 79, Covered Israel for New York Times

NEW YORK (NYT) — Moshe Brilliant, 79, a part-time correspondent for The New York Times in Israel for 38 years, died Friday in Tel Aviv of complications from a series of illnesses.

He was The Times's only representative in the country in 1955, when Moshe Sharret resigned as prime minister, and in 1956, when Israeli troops invaded Sinai. His sources inside the government gave The Times the first balanced account of the "Lavon affair" of the 1950s and 1960s. That affair ultimately brought down David Ben-Gurion's government.

Charles Tynler 2d, 80, a member of the President's Intelligence Oversight Board during the Reagan and Bush ad-

ministrations and a longtime Democratic Party strategist, died March 13 of pneumonia in Bethesda, Maryland.

Hugh W. Kelsey, 69, a leading bridge writer, died Saturday in Edinburgh. He had suffered from repeated cardiac problems, his son George said.

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POLITICAL NOTES

Dole's Shift on Affirmative Action

WASHINGTON — Although he now denounces preference programs based on race as "absolutely poisonous to race relations," Senator Bob Dole of Kansas once used his influence to help win a lucrative federal contract for a former staff member under such a program.

A 1988 congressional investigation of Mr. Dole's activities on behalf of his former employee determined that he had done nothing wrong, but Democratic supporters of U.S. affirmative action programs have seized on the issue, saying it suggested that the Senate majority leader, an aspiring Republican presidential candidate, tailored his view on racial and sex-based preference to the prevailing political winds.

"I don't quarrel that he helped the person who formerly worked for him," said Representative John Conyers Jr., Democrat of Michigan. "But it obviously flies in the face of the detrimental statements he's made about the whole concept of affirmative action."

According to a report compiled by the House Committee on Small Business, Mr. Dole telephoned the head of the Small Business Administration in 1983 seeking help for John Palmer, a former aide who is black and who had twice been turned down in his effort to win a contract under the agency's program for small and disadvantaged businesses.

The telephone call and subsequent meeting between agency officials and another member of Mr. Dole's staff eventually led to Mr. Palmer's company, EDP Enterprises Inc., winning a contract worth about \$26.5 million over a five-year period to provide food services at an army base in Missouri.

Mr. Dole's office released a written statement on Wednesday defending his criticism of the Small Business Administration minority set-aside program, which is generically known as the Section 8(a) program, after the section of law that created it.

"Senator Dole's view is that no federal program, especially Section 8(a), is written in stone or should be exempt from congressional scrutiny," the statement said. "It's time we re-examined federal affirmative action programs, and Senator Dole's record on civil rights gives him the credibility to raise legitimate questions about their continuing effectiveness and fairness." (NYT)

Clinton Sets Early Campaign Start

WASHINGTON — Nobody's challenging him for the Democratic nomination, but President Bill Clinton isn't taking chances: The White House is planning early presidential trips to key caucus and primary states to make sure Democrats there do not feel neglected.

First up is Iowa, a caucus state, where Mr. Clinton plans an April 25 meeting on rural affairs. He will visit New Hampshire, site of the first 1996 primary, on June 11 to speak at Dartmouth College's commencement ceremony. He also plans half a dozen trips to California in 1995.

Aides disclosed the date of the New Hampshire trip early to spare Mr. Clinton, and themselves, the agony of a guessing game over his first trip there, a mistake President George Bush made in 1992 by insisting he saw no need to rush to New Hampshire and then delaying so long that Patrick J. Buchanan pulled more than a third of the vote. (LAT)

Wilson Weighs Run for President

LOS ANGELES — Governor Pete Wilson has formed an exploratory committee to raise funds and support for an campaign for the 1996 Republican presidential nomination. "We've brought fundamental change to California, now we have the duty to bring it to the nation," he said.

Mr. Wilson, 61, a former U.S. senator, said he "authorized the formation of an exploratory committee to seek and accept support for my candidacy," according to a text of his prepared remarks.

Mr. Wilson, who won an uphill re-election to a second term as governor four months ago, stressed the conservative themes that brought him victory in a speech to 800 supporters.

"It is wrong for government to look the other way and reward illegal immigrants for violating our borders and our laws. It is wrong to give special preference based on race or gender," he said, reciting tough stands to curb crime, welfare, illegal aliens and affirmative action programs.

"We said we would no longer put up with putting dangerous criminals back on the streets," he said, adding "We said what is right is to reward people who work hard and play by the rules." (AP)

Protesters Disrupt House Session

WASHINGTON — Protesters shouting from the gallery of the U.S. House of Representatives were led away in handcuffs Thursday after disrupting lawmakers as they started legislative business. Others were arrested later for a demonstration inside the House speaker's office.

In the gallery demonstration, Capitol police apprehended three women who identified themselves as members of Justice for Janitors, a civil disobedience campaign by Washington city employees organized by the Service Employees International Union.

Nine other protesters from the same group barged into the business office of the speaker, Newt Gingrich, in a nearby building. They chanted and put stickers on furniture. They refused to leave and were arrested on charges of defacing public property, unlawful entry and demonstrating in the Capitol.

The women in the chamber were charged with disruption of Congress, unlawful demonstration and violation of gallery rules. They were chanting against a Washington property developer who has emerged as the focus of a union protest campaign. (AP)

Quote / Unquote

Representative John R. Lewis, Democrat of Georgia, as the House of Representatives debated welfare reform: "I urge my colleagues, open your eyes. Read the proposal. Read the small print. Read the Republican contract. They are coming for the children. They are coming for the poor. They are coming for the sick, the elderly and the disabled." (NYT)

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EUROPE

Russian Commander Sees No Quick End To War in Chechnya

By Steven Erlanger
New York Times Service

GROZNY, Russia — The commander of Russian troops in Chechnya predicts that the war will not be over soon, but he expects that his forces, which he said number nearly 60,000 men, will control two-thirds of Chechnya by the summer.

That is unlikely to represent the "swift end" and the political settlement to the Chechen conflict the United States has called for. It also means that when President Bill Clinton comes to Moscow on May 9, military operations and the killing will probably not have stopped, the 200,000 Chechens already displaced will not be home and more Chechen villages will be under bombardment.

With the Russian Army pushing south and east out of Grozny, trying to chase the tough Chechen fighters into the hills, General Anatoli S. Kulikov, the commander of Russian troops here, says the military settlement can only come with new elections after the Chechen fighters lay down their arms and accept Russian sovereignty.

"It won't end so quickly, unfortunately," General Kulikov said in an interview. "The war has its own laws and stages, and we calculate that by the summer period, we can establish control of two-thirds of the territory, which will let us move from military to political means and allow us to hold elections and establish a new, legitimate power."

Grozny, the capital of Chechnya, fell to the Russians at the end of January, but only after fierce fighting and bombardment so heavy that the city was essentially destroyed. Russian tactics since the invasion began Dec. 11 have brought fierce condemnation from the United States and the European

Union, but the military operations have proceeded regardless.

General Kulikov described the Russian military push on two Chechen cities, Argun, seven kilometers east of Grozny, and Shali, 20 kilometers (12 miles) to the southeast, where the Chechen leader Dzhokhar M. Dudayev had his military headquarters.

Both towns, which had been heavily bombed and shelled for weeks, were reported to have fallen Thursday, with Chechen military leaders withdrawing along with their men.

The general blamed the continuation of "this pointless war" on the personal ambitions of Mr. Dudayev "and the very restricted circle around him."

But he also expressed respect for the Chechens' fighting ability, saying that Russian forces initially faced 15,000 "well-prepared, well-trained and excellently armed men," and an additional 30,000 "semi-trained" local militia.

"They are considerably less now," he said without specifying the number, "but they put up serious resistance."

While discussing casualties, General Kulikov revealed that the Russian force had included as many as 58,000 men, about 18,000 more than previously believed.

He said 1,385 Russian troops had been killed and 4,439 wounded. Casualty percentages were much lower than in Afghanistan, he said, but that war lasted 10 years. Chechen casualties were impossible to know, he said.

The general said that the Chechens could save themselves from Grozny-like destruction by stopping all armed resistance, surrendering their heavy arms and armor, dissolving their armed units and keeping only small weapons at home.



WAGE WOES — A Romanian worker waving an empty bag and two bones Thursday in Bucharest, where an estimated 20,000 workers staged their fourth rally in a week to protest imposed wage freezes. The lettered barrier calls for the government to resign.

UN Reports Strategic Gain for Bosnia

By Roger Cohen
New York Times Service

ZAGREB, Croatia — Bosnian government forces pressed their offensive near the northern town of Tuzla on Thursday, and United Nations officials said they appeared to be gaining strategic high ground.

UN monitors recorded more than 2,000 rounds of artillery fire in the Majevica Mountains northeast of Tuzla in the 24 hours ending 8 A.M. Thursday.

"This is being assessed as full combat and not just a cease-fire violation," said Alexander Ivankov, the United Nations spokesman in Sarajevo.

The Bosnian offensive began Monday and came despite American pleas for restraint and the fact that a four-month cease-fire is not supposed to end until May 1. On Thursday, a UN spokesman, Lieutenant Colonel Gary Coward, said that the Muslim-led Bosnian forces had advanced more than a mile in the Majevica area.

He added that the Bosnian troops might have taken an important Serbian communications tower in the area, but strict restrictions on the movement of UN observers made this impossible to confirm.

The Bosnian Serbian news agency quoted military officials as denying that any ground had been lost. The Serbian communications tower has been the scene of repeated fighting over the past year and occasional claims from Bosnian government forces to have taken the area have proved groundless.

The Bosnian offensive appears to have several objectives: to take Tuzla airfield and the town itself out of the range of Serbian artillery; to threaten important Serbian-held towns in northeastern Bosnia, and to disrupt Serbian logistics with a view to an eventual attack on the vital but narrow Serbian-held Posavina corridor north of Tuzla.

The corridor links Serbian-held territory in western Bosnia and Croatia with eastern Bosnia and Serbia itself.

The fact that the Bosnian president, Alija Izetbegovic, has chosen to launch the offensive now is politically significant. It underscores the fact that the Bosnian government has abandoned long-held hopes that the United States or the North Atlantic Treaty Organization will come to its aid and is now determined to fight its own war on its own terms.

Secretary of State Warren M. Christopher said this week that the four-month cease-fire should be extended, a proposal rejected by Mr. Izetbegovic.

BRIEFLY EUROPE

Panel to Negotiate Nuclear Ban

GENEVA — The Conference on Disarmament, including the five nuclear powers, set up a committee Thursday to negotiate a worldwide ban on production of fissionable material for nuclear weapons, UN officials and diplomats said.

But the 38-member body, bowing to concern by some nonaligned countries over existing stockpiles of plutonium and highly enriched uranium, left open the scope of a future treaty, they said.

The five declared nuclear powers — Britain, China, France, Russia and the United States — as well as India pushed for negotiations to cover only future production of fissionable material. But some nonaligned states wanted existing stocks covered in the mandate.

Major to Visit Moscow in May

LONDON — Prime Minister John Major of Britain will be in Moscow on May 9 to attend ceremonies for the 50th anniversary of the Allied victory in Europe, his office said Thursday.

In Bonn, meanwhile, Chancellor Helmut Kohl said the German Parliament might invite a Polish leader to address a special session for the 50th anniversary observations of the Nazis' surrender.

He had said earlier that Polish officials would not be invited to the Berlin ceremonies because Poland was not among the countries that defeated Nazi Germany.

U.K. Cabinet Sets 1996 Agenda

LONDON — Prime Minister John Major's government hit back on Thursday at suggestions that it had run out of steam, saying it was preparing a busy agenda for next year's parliamentary session.

In a surprising move, senior government sources said Mr. Major's cabinet had approved the core of the legislative program for the 1995-96 parliamentary year, which starts in November.

Commentators said Mr. Major was clearly responding to a spate of recent attacks that have thrown his party into disarray and prompted the opposition Labor Party to set up a "war cabinet" to prepare for a snap general election. Tony Blair, the Labor leader, said Wednesday night that discipline in the government had broken down.

Police Raid German Neo-Nazis

BONN — In a major strike against neo-Nazi groups, the police raided 80 apartments around Germany on Thursday and seized propaganda published by an American being held in Denmark, officials said.

The Federal Criminal Office said the police seized weapons and ammunition in dawn raids as well as banned Nazi pamphlets published by the American, Gary Lauck of Lincoln, Nebraska.

Officials said Mr. Lauck, whose extradition is being sought by the German authorities, had been smuggling hate literature into Germany for more than 20 years, to be copied and distributed among neo-Nazi groups.

Calendar

European Union events scheduled for Friday:

ANKARA: Meeting of Foreign Ministers Klaus Kinkel of Germany, Alain Juppé of France and Javier Solana of Spain, whose countries hold the rotating top posts in the EU, with Turkish officials.

BRUSSELS: The EU commission president, Jacques Santer, meets with Emilio Gbagbo, secretary-general of the European Trade Union confederation.

LISBON: The EU development commissioner, João de Deus Pinheiro, speaks at Lisbon University on cooperation between the EU and African, Caribbean and Pacific countries.

STOCKHOLM: Immigration Commissioner Anita Gradin meets with Sweden's immigration minister, Leif Blomberg, finance minister, Göran Persson, and justice minister, Laila Freivalds, during a three-day visit.

Sources: Agence Europe, AFP.

Yeltsin Calls for Crackdown on Fascist Activities

By Margaret Shapiro
Washington Post Service

MOSCOW — President Boris N. Yeltsin, responding to what aides said was a rise in fascist activity, issued a decree Thursday instructing law-and-order agencies to crack down on extremists involved in "fanning social, racial, national and religious discord."

The decree comes as preparations are under way for a major commemoration of the 50th anniversary of the fall of Nazi Germany and the end of World War II, in which as many as 20 million Soviet soldiers and civilians were killed.

While many Russian officials say that the devastating losses of the war against

Germany inoculated Russia against fascism, economic hardships and political disorientation since the collapse of the Soviet Union in 1991 have provided fertile ground for a small number of hate groups to crop up.

In the last few months, the government has grown concerned about their influence and some time ago arrested a self-proclaimed leader of a fascist organization, whose members wear swastika-like insignia, for threatening to shoot two prominent liberal members of the Russian Parliament.

Alexei Vedenkin was arrested Feb. 28 for remarks made in a television documentary about the rise of fascism in Russia. In it he said he personally would shoot Sergei Yushenkov and Sergei Ko-

valyov, two prominent democratic critics of the war in Chechnya. He was arrested for those remarks and, if convicted, could be imprisoned up to six months.

"Incidents involving the fanning of social, racial, national, religious discord and the spreading of fascist ideas have become more frequent in Russia," the decree issued by Mr. Yeltsin said. "Anti-constitutional activities of extremist persons and organizations are happening on a wider scale and acquiring a more audacious character. Illegal armed and militarized formations are being created, some of which could merge with some trade unions, commercial, financial and criminal structures."

The decree chastised law enforcement

bodies for failing to deal with the problem and ordered them to strengthen their efforts, including detaining and bringing to trial anyone involved with the propagation of hate materials.

The decree has no sanctions in it and is basically toothless because of concerns about impinging on the authority of the Russian Parliament to legislate in this area, said Mr. Yeltsin's legal aide, Mikhail Krasnov.

Still, Mr. Krasnov said, Mr. Yeltsin felt it was vital to signify the government's determination to get tough with hate groups. Political extremism is a serious problem in Russia and "those who think that it is on the wane are under an illusion," Mr. Krasnov said.

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Turkey Crosses a Line

Turks at a Crossroads

Turkey's generals, like other commanders in recent memory fighting entrenched guerrillas, have convinced themselves that a quick, surgical strike will bring them a major victory. They have swept across the border into northern Iraq to clean out the bases from which armed and violent Kurdish secessionists have been raiding into Turkey. Whether it will succeed is open to question. They are operating in very rough country, which favors the guerrillas, and the military buildup that preceded the invasion apparently gave the Kurds plenty of warning.

Meanwhile, the political costs of the invasion are rising. The Turkish generals assure the world that they are only going after the guerrillas. But they are using jet aircraft to bomb their targets, and there are reports that government troops have again burned settlements on the Turkish side of the border to deny shelter to men on the run. That increases all the concerns about human rights in this increasingly savage war. Those concerns may well lead the European Parliament to vote down the customs union signed this month between Turkey and the European Union. It would be a severe blow to a Turkish government that is already weakened.

A triangular struggle for Turkey's future is now under way. The government, which stands for the secular, westward-

looking tradition, is desperately trying to stamp out a Kurdish separatist movement that repeatedly resorts to bloodshed and terrorism. That requires the government to rely heavily on the army, probably the strongest of the country's secular institutions, which now appears to have pretty much of a free rein. The third element in the triangle is a fundamentalist Islamic party that is growing and, according to polls, could defeat the government if an election were held today.

That is why the United States has cautiously tried to defend Turkey's invasion of Iraq as self-defense. France, in contrast, has denounced it as a violation of international law — a bad omen for the customs union. But it is a dilemma for Europe, too. Some Europeans argue that Turkey should be kept out of their union on grounds not only that it is too poor but also that it is too violent and too different. Secular Turks reply that barring their country from the European market and its political institutions could only help the Islamic opposition. If it wins the next election, it will bring the forces of militant fundamentalism much closer to Europe itself.

Turks live at a great historical crossroads, and the army's strike against Kurdish separatism is part of the process in which they are deciding whether to turn eastward or westward.

—THE WASHINGTON POST.

Violation of the Law

In one of Turkey's largest foreign military operations since the days of the Ottoman Empire, 35,000 troops poured across its border with Iraq this week to attack the Kurdish guerrilla group known as the Kurdistan Workers Party, or PKK. Turkey contends that its only purpose is to destroy a violent separatist group by wiping out its Iraqi base camps. But sending troops across another nation's border is a violation of international law that deserves harsh condemnation.

The world would become even more dangerous if countries with strong armies and border frustrations felt free to take the law into their own hands. France, which currently leads the European Union, a group that Turkey desperately wants to join, has rightly condemned this invasion. The United States should have condemned it, too. Instead, Washington, along with Moscow, has expressed understanding for the Turkish attack.

The PKK is a Marxist revolutionary group that engages in deadly terrorism. But this foray into Iraq is symptomatic of Turkey's military approach to the whole Kurdish issue, of which PKK terrorism is merely one element. Harshly repressive army tactics in Kurdish areas of south-eastern Turkey have created a million and a half internal Kurdish refugees as well as driving thousands more into Iraq. These tactics have also encouraged 5 million Turkish Kurds to migrate to cities in other regions of the country. Kurds make

up one-fifth of Turkey's population. No government can deliver on promises of democracy and economic growth if it wages so vast an internal war.

The fact that the international border being violated in this case is Iraq's should not obscure the underlying principle. Saddam Hussein may not show much respect for international frontiers, but the sanctity of borders was one of the main causes that the Gulf war's coalition fought to uphold.

The region of Iraq in which Turkish troops are now operating is currently under Western military protection as a result of the Gulf war. That operation requires Turkish cooperation and rear bases on Turkish soil. That factor probably explains Washington's rush to bless the Turkish invasion.

But the only legitimate American military purpose in northern Iraq is to protect Kurdish civilians from Saddam Hussein's forces. Holding those forces at bay while Turkey invades Iraq is an abuse of American military power and an affront to the United Nations, whose authority governs American military activities in northern Iraq.

The Turkish government has been promising that its operations in Iraq will be quickly completed. But now it says the fighting could last a month. The Clinton administration has clearly bought into more than a brief border incursion. It is not too late for America to take a more principled stand.

—THE NEW YORK TIMES.

North Korean Tantrum

North Korea has been throwing a tantrum over plans for South Korea to provide it with new nuclear reactors, part of the agreement to keep the North from making nuclear arms. The new reactors would make it more difficult for the North to extract plutonium for bombs than it is with its current graphite reactors.

North Korea, not wanting to seem dependent on South Korea, pressed during negotiations last year for others to supply the replacement reactors, but no one else was willing to provide them free of charge. To avoid loss of face for North Korea, the agreement left the identity of the new reactor manufacturer unspecified, although it was clear to everyone that South Korea would build them. Now Pyongyang is threatening to break the agreement.

South Korea is partly to blame. Seoul

has gone out of its way to belittle the North by stressing its dependence on the South for the reactors.

The dispute can be resolved diplomatically. North Korea's delegate to the United Nations shows the way. "If you say an American type of reactor rather than a South Korean type," says Pak Gil Yon, "everything would be resolved." In fact, the reactors are of American design. Other countries will supply components.

The two Koreas need each other. The North is capable of building reactors on its own, and the South, for the sake of security, needs to stop that. The North cannot provide power to run its economy without the South's help. The sooner they accept mutual dependence, the safer the world will be.

—THE NEW YORK TIMES.

Other Comment

The Apocalypse Is Here

As the year 2000 approaches, it is normal that more sensitive or superstitious souls should begin to look for the symptoms of an imminent apocalypse. The poison gas attack on the Tokyo subway is a perfect example of humankind's capacity to destroy itself, even with rudimentary means. It is enough to throw a few buckets of a poisonous substance in the subway to cause mass fleeing and, about all, to prove to the world the vulnerability of any urban fortress or of any technological or financial empire.

There is no need to wait for the year 2000 to confront the apocalypse. We

thought we had done away for good with the nightmare of total self-destruction when the hostilities between the two nuclear superpowers ceased.

The apocalypse has already begun, and it does not consist of pieces falling from the sky, which, mysteriously and suddenly, crush humankind.

It does consist, however, of multiple remote images that reiterate how fragile all wealthy and projected societies are (Japanese and American included) when confronted with private apocalypses that human beings, driven by hate or desperation, can ignite in a New York neighborhood, or a Tokyo subway.

—Corriere della Sera (Milan).

Is There a Secret Plan To Shrink New York?

By Malcolm Gladwell

NEW YORK — On Feb. 14, the day he introduced his budget for 1995, New York City Mayor Rudolph Giuliani did something so strange that people here still don't know quite what to make of it.

Two weeks earlier, the new governor of the state of New York, George Pataki, had proposed almost \$2 billion worth of cuts in Medicaid and welfare payments, which translated into hundreds of millions of dollars in lost income for the city's poor and thousands of lost jobs in the city's booming health care sector. But in his own budget, Mr. Giuliani did Mr. Pataki one better.

Could the governor, he asked, please cut Medicaid and welfare even further, thereby stopping hundreds of millions of dollars

City Hall, their voices drop very low and that's what you hear," says Ester Fuchs, a political scientist at Columbia University. "Maybe the poor will just leave."

Is this true? Is this really what Mr. Giuliani has set out to do? City Hall denies it, of course, insisting that the only intent is to save money. But in the end, whether it is true or false doesn't really matter. What matters about the plot to shrink New York is how easily it could be true.

The plain fact is that there is plenty of evidence that if a city or a state really wanted to drive away its poor, it could. And since states are pretty much allowed to do what they want with welfare these days, there is nothing actually stopping anyone from trying this.

A cynic would say that this is just what is going on right now in Wisconsin and Indiana and California and all the other states that have pushed through deep cuts in their welfare programs.

"Anyone who thinks the poor don't move doesn't know the poor," said Paul Peterson, a Harvard political scientist. And when it comes to choosing where they live, the poor are quite sensitive to levels of public assistance.

This is not to say that high benefits bring poor people running. But research done by Mr. Peterson and others suggests that over the course of, say, a decade, a state with high benefits can expect to end up with a poverty rate about 2 to 4 percentage points higher than it would have been otherwise. Lower than average benefits, by the same token, can, over time, result in a net outflow of poor people.

If you look closely at the budget that Governor Pataki proposed, and Mayor Giuliani endorsed, it is not difficult to think that in mind for New York City. First of all, Mr. Pataki took the basic Aid to Families with Dependent Children grant and proposed cutting it by \$38 a month. This doesn't sound like much. It simply dropped New York from the seventh most generous state in the country for welfare payments to the 11th most generous.

But remember, New York State is an expensive place to live, particularly New York City, which has a cost of living about twice the national average. By contrast, the cost of living in Washington State, Minnesota, Oregon or Wisconsin — all of which have AFDC payments about the same as New York's — is less than the national average.

A welfare mom, in other words, who moves from Manhattan to Seattle gets the equivalent of a huge pay raise. Governor Pataki's cuts had the effect of turning a bad state for the poor to live in into a worse one.

He didn't stop there. The amount that New York State gives to a family of three on welfare for rent is \$286 a month. That may be enough for an apartment in Buffalo, but in New York City the vacancy rate for apartments in that range is zero. There are 280,000 people already on the waiting list

Gas in the City, Here and There

By Leonard A. Cole

NEW YORK — Are New York subway riders vulnerable to an attack with sarin, the nerve gas that killed 10 and injured more than 5,000 in Tokyo on Monday? Yes, of course. In fact, in 1966 the U.S. Army showed that the subway system was vulnerable to attacks with chemical and biological agents.

In the 1950s and 1960s, the army conducted hundreds of tests in New York and other populated areas. Bacteria and chemical particles were sprayed from a boat off San Francisco, from trucks driving through Minneapolis, from slow-flying airplanes above the Midwestern states. The object was to see how the particles spread.

For five days, the army conducted a bizarre test in New York's subway system. It released relatively harmless bacteria called *Bacillus subtilis*, which were mixed with charcoal particles, a simulated chemical agent.

The testers filled light bulbs with bacteria and charcoal, then shattered the bulbs on ventilating grills at sidewalk level and tossed them on the tracks as trains entered the station.

Confirming what should have been obvious without testing, the bacteria and charcoal spread as trains whooshed in and out. More than a million commuters were exposed to them. The test was deemed successful.

The army's report said: "A large portion of the working population in downtown New York City would be exposed to disease if one or more pathogenic agents were disseminated covertly in several subway lines at a period of peak traffic."

The test agents were far less harmful than those that would be used in war, but they still posed health risks. When the public learned about them from news reports and Senate hearings in the 1970s, the tests were condemned. The army said no one was made ill, but conceded that it did not monitor anyone exposed.

After World War I, chemical and biological

weapons were deemed pariahs. For most of the period, international treaties reinforced the sense of repugnance that had almost wholly forestalled their use. Not until the mid-1980s, when Iraq turned chemical weapons against Iran, had any nation used such arms so extensively and for long periods.

Content to see them battle each other, the world largely remained silent about Iraq's chemical transgressions. Deferring to the Arab states, UN Security Council resolutions that called for an end to hostilities avoided condemning Iraq for using chemical weapons.

By the time Iraq capitulated, in 1988, the lid of moral restraint had been lifted. More than 20 countries now had chemical weapons programs. One result was that U.S. and allied forces in the Gulf war anticipated chemical and biological attacks. The army says none occurred, but some members of Congress are skeptical.

True, concern about these weapons has belatedly increased efforts to ban them, notably with the new Chemical Weapons Convention, which the United States has yet to ratify. But ratification is only one step.

Condemnation and punishment of any nation that harbors chemical or biological weapons must be swift and sure. Iraq's use of chemical arms, and now the expanding list of countries with chemical weapons programs, has created psychological as well as physical danger.

The more nations that acquire these unconventional weapons, the more they may be considered conventional. The best way to minimize the likelihood of their use is to foster the ethos that largely prevented their use for 70 years. The need for an invigorated international effort to ban chemical and biological weapons is the surest lesson the past can teach.

The writer, author of "Clouds of Secrecy: The Army's Germ Warfare Tests Over Populated Areas," contributed this comment to The New York Times.

Welfare Isn't A Free Ride

By Richard Cohen

WASHINGTON — Few Americans would now argue that a woman who is both jobless and homeless is morally entitled to live her life on the dole. Her desire to have children, if it was that, was always her own business. Her insistence that society pay for them is, however, its business.

That is precisely what Newt Gingrich has in mind when he talks, sometimes recklessly, about an immoral welfare mentality. He is on to something. To talk about welfare and not also about morality makes no sense whatsoever.

Gradually, America has come around to that point of view. The substance of that attitudinal change was contained in a Republican proposal to deny additional welfare benefits to women who have children while on public assistance. This provision was denounced as being cruel to children. It is not so easy to dismiss this concern. We are, after all, talking about infants for whom the modifier "innocent" is truly redundant. Amendments, one of them called the diaper amendment, may change things a bit.

But a little harshness is the whole idea. At the core of the welfare reform proposals is the desire to send a moral message: If you can't afford a child, if you are a mother and on the dole, don't have another one. This is nothing more than common sense. The child will be invariably put at risk — the usual Dickensian life of poverty — and the mother will be further burdened and unable to work. Where it is written that we have to subsidize that sort of lifestyle?

The point is not whether an additional \$60 a month encourages pregnancies, but whether these pregnancies would be discouraged if no more money was forthcoming. In New Jersey, which already has the so-called family cap, the preliminary evidence is that birthrates among welfare mothers have fallen. Change is what is needed. At its core, welfare is about poverty, not moral values, and a woman and her children ought not to be punished if her husband goes out for a pack of cigarettes and never comes back. But women who see you and me as surrogate fathers are a different matter altogether.

Welfare is a complicated subject, but not so complicated that a simple message cannot be sent: Having babies while on welfare is wrong — and we won't pay for it. The Washington Post.

The Idea Has Been Around

NEW YORK — The idea of shrinking New York has been a recurring fantasy among conservatives in the city for years.

For example, when the conservative columnist William F. Buckley Jr. ran unsuccessfully for mayor in 1965, he argued repeatedly that a smaller New York would be a better one. "The half million plus people in New York City who are unemployed and/or on relief do not contribute anything tangible to the city's welfare," he said in a speech at a Bronx campaign rally that year. "What is the point in encourag-

ing them to stay, when they might go elsewhere, where employment opportunities are greater, the cost of living less, living conditions better? ... What is the argument that holds that New York is better off now than it would be with several hundred thousand fewer people living here? ..."

Then there was former city housing director Roger Starr's famously controversial article in The New York Times Magazine 20 years ago — an article that some City Hall watchers swear has been dusted off, photocopied and circulated around the upper levels of the Giuliani administration.

The essay, "Making New York Smaller," argued that the city had too many poor families and not enough wealth to take care of them. New York ought to prepare for "planned shrinkage," Mr. Starr wrote, and the federal government ought to "resurrect a program from the days of the New Deal: resettlement ... A national program could encourage people to move voluntarily, and with adequate preparation, to places where economic opportunities are opening up."

When Richard Nixon proposed national welfare reform 25 years ago, it was this very problem that he had in mind. He wanted to do away with the welfare system, in which Northern urban states like New York had much higher benefits than Southern states, and replace it with a single, nationally uniform income.

Why? Because this inequality had the effect, Mr. Nixon argued, of luring "thousands more into already overcrowded inner cities, as unprepared for city life as they are for city jobs."

—Malcolm Gladwell.

A Campaign of Stand-Ins in France

By William Pfaff

PARIS — There is a certain public moroseness, even apprehension, which underlies the French presidential campaign this spring. The French have since the war taken for granted the integrity of the meritocratically chosen bureaucratic elite which governs them, whatever might be said in criticism of its arrogance and corporatism. The political class was assumed generally honest, even sometimes remarkable.

The French had regarded the spectacle of political corruption and crime in Italy or Spain with the same condescension that Americans and British display. They recognize themselves as a Latin civilization, but nonetheless apart from the larger Mediterranean world. The major part of France's population is Scandinavian, Celtic or Germanic in origin — Normans, Bretons, Burgundians, etc. — not to speak of the Basques and a large 19th and 20th century immigrant population from Eastern Europe and the French overseas empire.

France's Protestantism, still significant social force, is Calvinist in origin, and French Catholicism itself was greatly marked by Calvinism's 17th century Catholic counterpart, Jansenism, another version of gloomy predestination and puritan thought.

In short, while the French have the reputation abroad for *la joie de vivre* (ooh-la-la! and all that), they are in fact a sober and even suspicious people, who certainly see themselves as a nation of intellectual rigor, reason, balance, proportion — of measure in all things.

They have thus been dismayed by the flood of revelations of money corruption, political conspiracy and official law-breaking, official hypocrisy and lies that has come during recent months, implicating the town hall and regional council, and all the way to the presidential palace itself.

There, a huge and illegal telephone-tapping operation went on for years, ostensibly directed against terrorism, in fact listening to the conversations of thousands of journalists, lawyers and politicians, many of them the president's followers. In recent weeks, money scandals have shaken world-class French industrial firms and state-owned banks, with accusations of embezzlement and organized crime involvement. Graduates of France's elite institutions are implicated in some of these affairs, and the interlocking alliances of that elite now are held responsible for the fact that some scandals went on for months or years after the press and financial community recognized what was happening.

The three men generally thought best qualified

for the presidency have declined to run. They all say either that they do not believe the country willing to accept the reforms they think necessary, or that the polls indicate they lack popular support.

Jacques Delors, former president of the European Commission, whom the polls, in December, said could easily win, refused to become the Socialist's candidate for the first of these reasons. He supports the Socialist candidate, Lionel Jospin, an intellectual personally untouched by scandal but leading a party all but destroyed by its own and Francois Mitterrand's record.

Conservative centrists Valéry Giscard d'Estaing and Raymond Barre, former president and former prime minister, find that they have insufficient support in the polls to justify running. Among the conservative candidates now in the field — Prime Minister Edouard Balladur, Paris Mayor Jacques Chirac, and an aristocratic traditionalist and candidate "of values," Philippe de Villiers — Mr. Chirac now is far in front.

However, 45 percent of the electorate still has not decided for whom to vote, and this number is larger today than it was at the beginning of the month. Thus Mr. Chirac's reported 29.5 percent in the most recent published poll (as against Mr. Balladur's 17.5 percent and Mr. Jospin's 21 percent) is actually 29.5 percent of that 55 percent which has made a choice — thus a little more than 16 percent of the electorate.

Some think the race over, and politicians are clambering aboard Mr. Chirac's bandwagon, but the fat lady has not sung. Mr. Balladur seemed unstoppable a month ago, despite his regal airs, until his interior minister, Charles Pasqua, made a characteristically brutal effort to quash a potentially damaging kickback scandal.

The crowd-plunging, hand-shaking, energetic Mr. Chirac then swept past Mr. Balladur. But Mr. Chirac also carries liabilities: an opportunist record and a justified reputation for impulsive conduct. He, or people close to him, might also be overtaken by scandal.

The action is not over, but the political atmosphere is redolent of the past, before the Fifth Republic. The end of the Cold War has brought down international structures in which France could conspicuously play its idiosyncratic independent role. It has presented the French with European uncertainties that they have yet to resolve. The country's wave of domestic scandals is additionally disorienting.

There is an air of mediocrity. The presidential race is among the second choices.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1895: Wilde Rumors

LONDON — The London papers have stated in unanimous chorus that Lord Queensbury and Mr. Oscar Wilde have both made Monte Carlo their temporary abiding place and comment on the apparent coincidence has been brisk. If this is so, however, it is certain that the Marquis of Queensbury at least has a "Doppelgänger," for I met either himself or his double yesterday [March 23] afternoon strolling along the Strand. I am also told that Mr. Oscar Wilde has not lately been within measurable distance of Monaco.

1920: Guarding Armenia

LONDON — The Supreme Council delegated to the League of Nations the task of protecting independent Armenia. The Armenian State is to be constituted

of what was Russian Armenia and adjacent territories formerly subject to Turkey. It will have no outlet of its own to the sea, but will be served in this regard by the port of Batoum, which will be internationalized.

1945: New U.S. Landing

MANILA — General Douglas MacArthur's forces have struck again, capturing the twenty-mile long island of Guimaras, stepping stone between Panay and Negros in the Philippines. The new landing announced today [March 23], is part of the giant series of jumping operations from island to island in the Philippines, with six islands already in American hands and operations on three others going well. A Japanese submarine anchored off the city of Cebu, on the island of Cebu, was destroyed by American Navy planes using rockets.



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OPINION/LETTERS

Clinton Can't Seem to Tell Fig Leaves From Substance

By William Safire

WASHINGTON — The accommodationists in charge of Clinton foreign policy put on a show of internal agonizing about whether to celebrate the golden anniversary of V-E Day in Moscow.

A visit by a U.S. president is eagerly sought by foreign leaders. President Richard Nixon bombed the Vietnamese city of Haiphong and mined its harbor confident that Leonid Brezhnev would not let that action interfere with an upcoming Moscow summit meeting. Contrary to the dire predictions of dovish commentators, Mr. Nixon's provocative escalation did not stop the Moscow meeting.

Boris Yeltsin has just worked that same maneuver on Bill Clinton. Two headlines on the same page of The

Yeltsin desperately needed a meeting. Clinton should have used that need to gain major concessions.

New York Times tell the story: "Russia Pounds Rebel Positions Outside Capital of Chechnya" and "Clinton Will Go to Moscow and Meet With Yeltsin in May."

Mr. Yeltsin desperately needs this meeting; why didn't Mr. Clinton use that need to gain major concessions? Because he cannot tell a fig leaf from a real concession. In return for Mr. Clinton's propping up his increasingly autocratic Russian rule, Mr. Yeltsin promised not to embarrass the visiting American with a parade of the tanks that crushed resistance in Grozny.

As an added symbolic treat, Mr. Yeltsin will refrain from displaying nuclear missiles, lest they remind Americans of his deal with Iran to supply nuclear facilities that will enable the ayatollahs to build weapons to threaten U.S. cities.

America's naive president snatched the fig leaves and passed up the substance. It seems Mr. Clinton never learns; his last such blunder was to travel to Damascus to honor the leader of a nation high on America's terrorist list. In return, Hafez Assad publicly stuck his thumb in Mr. Clinton's eye.

As critics like Senator Bob Dole deride his "Yeltsin First" policy, Mr. Clinton will seek in Moscow what he failed to obtain in advance. Not a cessation of the brutal suppression of the Chechens' reach for autonomy; Mr. Clinton's preemptive cave-in has

already given Mr. Yeltsin an additional six weeks to kill opponents. (To prevent the ironic juxtaposition of film clips at V-E Day ceremonies, Russian commanders may give the Chechen civilians a day off.)

Instead, Mr. Clinton's payoff for boosting Mr. Yeltsin's popularity should be an undoing of the Russian-Iranian nuclear deal. He must prevail on the Russian president to "do a Conoco" — to sacrifice undoubted economic benefits by pulling back from a deal that would help make the dangerous Iranians a superpower.

If Mr. Clinton comes home from Moscow with less than that, his trip will not only be interpreted as having given Mr. Yeltsin a disarming free pass on Chechnya, but as a personal diplomatic disaster.

We can also expect some Dole-deflection: well-photographed meetings with human rights reformers like Grigori Yavlinski and Boris Nemtsov, a cold shoulder to Vladimir Zhirinovskiy and Communist-agrarian apparatchiks. In his television address to the Russian people, Mr. Clinton must not fail to dissociate the United States from the use of force in Chechnya.

On another aspect of his observance of the golden anniversary of World War II's end, I cannot cavil at Mr. Clinton's decision to skip London. The British prime minister, John Major, put the "special relationship" into a deep freeze with his contemptuous treatment of U.S. views on Bosnia. As Mr. Clinton showed on St. Patrick's Day — courting Irish-American votes by turning the White House into an IRA fund-raising platform — it is now payback time.

Can you imagine Dwight Eisenhower smugging London on V-E Day? Or Ronald Reagan insulting Margaret Thatcher that way? No; John Major has only his arrogance to blame. Would that Mr. Clinton had similarly suggested to Mr. Yeltsin that actions have consequences.

Looking ahead to V-J Day on Aug. 15, the Clinton administration denies renaming it "Victory in the Pacific Day"; the reported renaming was probably a concoction of America's hypersensitive Tokyo embassy.

This recalls the story of the Japanese tourist who walked down Broadway to 34th Street and, standing in front of the world's largest store, politely inquired of a New Yorker: "Where is Macy's?" To which the unforgetting native replied: "Pearl Harbor you found."

The New York Times



Bombing Is No Answer

Regarding "How America Might Have Helped Avert the Slaughter" (Opinion, March 13) by Stephen S. Rosenfeld:

Warren Zimmermann's suggestion that the use of force against Yugoslav Army artillery near Dubrovnik in 1991 would have ended the Yugoslav conflict is absurd. Although air strikes might have stopped the shelling around Dubrovnik, they would have done nothing to end the Serbian-Croatian war, which then raged across an ill-defined 1,000 kilometer (620 mile) front.

The early stages of the conflicts in Croatia and Bosnia were so chaotic that it would have been difficult to identify the front lines separating the combatants, much less bomb one side or the other. Dropping bombs on any of the warring factions in ex-Yugoslavia, particularly the Serbs, will not diminish their will to fight. Most combatants on all sides tend to fight near their homes. They are primarily motivated by fear and are prepared to die for what they believe to be their homeland.

The only way for foreign military intervention to resolve any of the territorial disputes in former Yugoslavia would be to completely and permanently subdue at least one of the warring factions.

NEVEN LEZAJIC, London.

Humker Down, Humans

Regarding "Tired of Evolving? Relax" (Opinion, March 18):

So we humans have reached a point in our history at which we are no longer subject to the force of natural selection? A similar claim of dominance over nature could be made for the dinosaurs of the late Cretaceous period. They were at the top of the evolutionary ladder and lived in a relatively stable moment in natural history, yet they disappeared in a very short time, possibly just months. Evolution is not necessarily a gradual process, it often works in fits and starts and it often goes up dead ends.

It doesn't take a great deal of imagination to guess that natural

selection could one day choose traits such as tolerance to thermonuclear fallout or resistance to manmade disease as the criterion for survival. The arrogant belief that history is over and that we have mastered nature is the human trait that is most likely to lead us to extinction.

MICHAEL BAKER, Oslo.

The East-West Line Matters

Regarding "East Was East but What Is Central?" (Opinion, March 13) by William Safire:

Mr. Safire quotes Charles Gau, who said that the word "central" once suggested that states were greatly influenced by Germany, and the word "eastern" asserted the domination of others by Russia. And Mr. Safire says that Russia, Ukraine, Belarus, Bulgaria, former Yugoslavia and Romania "probably" belong in Eastern Europe.

Placing former Yugoslavia in Eastern Europe would not be worth much comment if the widely held misconceptions behind this place-

ment did not lead the Western states to a corresponding inability to diagnose the cause of the Yugoslav split and a consequent failure to defuse the war. That cause is the existence of a cultural frontier within the former Yugoslavia. The cultural frontier between Central Europe and Eastern Europe runs across the former Yugoslavia and not at its western frontiers. Serbia, or rump Yugoslavia, looks to Russia.

The success of European integration exercised a formidable cultural attraction on all Central European states. By classifying the whole of former Yugoslavia as part of the "East," Mr. Safire obscures the fact that an equivalent force of attraction was exercised by integrated Europe on the Slovenians and Croats.

This was demonstrated in the last parliamentary elections held in former Yugoslavia, in which the Slovenian and Croatian Communist parties were severely defeated, while in Belgrade the Communists were being given a mandate to continue to rule.

DR. S. JANOVIC, Wiesbaden, Germany.

Robbing Peter to Feed Paul

Regarding "U.S. Airlines Take the Food Out of Flying" (March 16):

The fact that "the chances of getting breakfast, lunch or dinner aboard a domestic flight of less than two hours are slim" would hardly surprise anybody who has been in the United States lately. In December we flew coast-to-coast on Delta Airlines. There was virtually no food service beyond coffee or a soft drink and a bag of peanuts or pretzels. Our tickets were not noticeably reduced in price. I asked a flight attendant why no meal was served. The answer: "We're trying to save money. We hope to cut the price of seats." I asked if the fares had been cut. "No, not that I know of," was the reply.

Now the United Airlines director of catering says that company "used money it saved from cutbacks on domestic service to finance the upgrades" of menus on international flights. Let's be honest. The airlines are cheating the domestic flyer.

FREDERICK HECHT, Nice.

BOOKS

THE RISE AND FALL OF POPULAR MUSIC

By Donald Clarke. 620 pages. \$35. St. Martin's Press.

POPOLORE: Folk and Pop in American Culture

By Gene Bluestein. 167 pages. \$35, \$12.95 paperback. University of Massachusetts Press.

Reviewed by Martha Bayles

ONE of the original functions of song was to organize information into a narrative form that listeners could follow and remember. To have had this lesson is lost on Donald Clarke, author of "The Rise and Fall of Popular Music." Even though Clarke knows enough about popular music to fill an encyclopedia, this attempt at narrative history possesses neither rhythm nor melody, rhyme nor reason.

Clarke is editor of "The Penguin Encyclopedia of Popular Music," a useful reference in a field sorely lacking in scholarship. Thus it is all the more distressing to see the present volume draw upon the work of others without proper citation. One glaring example is Clarke's

● Kazuo Ishiguro, the novelist, is reading the fiction and the journals of John Cheever.

"Partly as research because a screenplay I'm writing is to be set in New England. I must admit that the journals are literally depressing. It's the mind of a depressed person. They become more interesting to me read in juxtaposition with the fiction. I'm finding Cheever quite interesting." (IHT)



discussion of the blues, which borrows heavily from Albert Murray's work. Not only are there no footnotes, the book's casual bibliography does not even list Murray's classic "Stomping the Blues."

Even so, padding and poor scholarship might be forgiven if Clarke offered a clear account of "the rise and fall of popular music." But his musical analysis is spotty at best. Many of his negative judgments — of 1950s pop, of Duke Ellington's Sacred Concerts, of Elvis Presley, and of Andrew Lloyd Webber — are unsupported by argument or evidence.

Not until the final chapters does Clarke undertake to ex-

plain what has gone wrong, and then he rounds up the usual suspects: "runaway technology" and "ever increasing amounts of money." Yet he seems unconvinced that these are the true culprits.

When music he disapproves of sells, he blames "greed" and commerce. But when music he approves of makes a comeback, as in the recent resurgence of country music, he cheers the triumph of popular taste over corporate manipulation.

But Gene Bluestein gets right to the point. A professor emeritus of English and American Studies at California State University at Fresno, Bluestein argues that academic folklorists have defined folklore so narrowly that they have been forced to conclude that America has none. They disagree about how much Native American folklore has been tainted by contact with whites, and about how long the imported folklore of the British Isles survived in Appalachia. They agree, however, that nothing corrupts genuine folklore faster than the commercialized popular culture of America.

This is the orthodox Bluestein sets out to refute. Where the folklorists separate "folk" from "popular," he joins them in the

complex, ongoing process he calls poplore. Drawing upon the ideas of Johann Gottfried Herder, he argues that folklore is not a "fossil" preserved from the distant past, but a living tradition that is one of the chief sources of vitality for high culture.

Of course, Bluestein goes beyond Herder and his American admirers (who included Emerson and Whitman) in expanding that living folk tradition to include commercialized popular culture. For example, folklorist Richard M. Dorson criticized such figures as Woody Guthrie and Pete Seeger, both for being celebrities (folk artists are supposed to be anonymous), and for recasting traditional materials into a contemporary, partly commercial, vein.

Bluestein defends Guthrie and Seeger on precisely the same grounds. To him, these two singers are the quintessential populists — not the faceless carriers of unchanging tradition, but rather creative individuals who make "syncretic" use of everything the American scene has to offer.

Bluestein's argument is most persuasive when focused on music — specifically, on the musical idiom created, and largely dominated, by black Americans. This music has folk origins, but, like the cinema, it evolved into a world-class art form while also being a form of commercialized entertainment. The best jazz has rarely been the most commercial, but Bluestein is right to insist that show business must be seen as a source of vigor in American culture.

Martha Bayles, the author of "Hole in Our Soul: The Loss of Beauty and Meaning in American Popular Music," wrote this for The Washington Post.

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Asia On Paris Tables

By Patricia Wells
International Herald Tribune

PARIS—Now you can just tell the taxi driver "Sank Roo Doe Noo" and find yourself in the midst of a rather fine Vietnamese meal. No, Harry's Bar has not disappeared, it just shares the same address with Le Mot, a simple Vietnamese restaurant recently transplanted from the 16th arrondissement to the neighborhood of the Opera.

There are no frills at Le Mot: paper tablecloths, paper napkins, an attempt at a colonial decor, two waiters who are stretched from one end of the restaurant to the other when the two small dining rooms are full. But there are two, maybe three reasons to try Le Mot.

First, in a city filled with Vietnamese restaurants, this one is a cut above the rest, in freshness, execution, variety. Second, the value can't be beat: The 79-franc (\$16) lunch menu includes a filling main course, rice and a pitcher of wine. Finally, the central location is a big plus.

I'm a huge fan of the Vietnamese spring roll—usually delicate, wafer-thin sheets of rice paper wrapped around pungent herbs, meat, chicken and sprouts. At Le Mot, one can find versions delicately filled with subtle mixes of chicken and shrimp, or pork, or of beef and lemon grass. Each fresh and refreshing, they come with a heady version of hoisin sauce for dipping.

Salads are huge, and include a delightful beef salad with lemon grass, served in a bowl and arriving as a multilayered feast of thin slices of beef, cabbage, lettuce, assorted mixed vegetables, a meal all on its own full of texture, crispness, nourishment. Nothing harsh or overbearing here, just simple sustenance.

Main courses include a variety of brochettes, including a lovely portion of grilled *crevettes a la saigonaise*, huge, crunchy, fresh shrimp on a stick, served with a mound of lettuce and herbs.

Among the restaurant's regular specials one finds *mi-xao*, a huge platter of mixed sautéed vegetables, pork and shrimp on a



bed of crisp fried noodles; and *ap-cha*, a similar main dish of sautéed slices of very thin beef and vegetables set atop a mound of crackling rice noodles.

Desserts include excellent sorbets, including a deliciously fruity mandarin and another of *myrtilles*, or blueberries.

Sushi lovers in Paris have no lack of spots for sampling Japanese-style fish and shellfish, but finding a restaurant that combines quality, price and service in a mix we can abide is not always simple. The best of the new Japanese spots in town is Isami, a small, sparkling clean restaurant on the Ile Saint-Louis, with windows looking out on the Seine and across to the Tour d'Argent. The ambience here is convivial, service amiable, and the clientele is mixed (meaning even if you're not Japanese you'll be welcome).

The sushi bar takes up half the dining room, and that's a good sign. Sit down at the bar, ask the sushi master to prepare the

best of the day, and you'll no doubt come up with shimmering fresh morsels of sashimi, including velvety, adeptly sliced morsels of fatty tuna, delicate sea urchins, silvery mackerel, striped shrimp and chewy milk-white squid, finished off with moist rectangles of soy-sauced egg pancake, or *tamago*. There's no trick here, just a commitment to freshness and delicate, fragile, tender fare. At the bar or at a table, welcome platters of a sushi or sashimi assortment are well-priced at 160 francs, and there's a fine selection of chilled sake to go with the meal.

Le Mot, 5 Rue Daumesnil, Paris 12; tel: 47.03.92.05. Closed Saturday lunch and Sunday. Credit cards: American Express, Visa. 79-franc lunch menu; à la carte, 120 to 200 francs, including service but not wine.

Isami, 4 Quai d'Orléans, Paris 4; tel: 40.46.06.97. Closed Sunday lunch and Monday. Credit card: Visa. A la carte, 160 to 300 francs, including service but not wine.

Sunset at an Australian Outpost

By Sherry Buchanan

PORT DOUGLAS, Australia—I arrived in Port Douglas in time to catch the sunset on the dramatic rain forest range. The two-hour drive north of Cairns on a winding road along virgin coastline had been promising. On the map, Port Douglas looked like the perfect small beach and resort to get away from it all without having to head offshore to the Great Barrier Reef. It was, literally, the end of the road. And this made it irresistible to any misanthropic traveler.

Immediately north, the tarmac turns into treacherous dirt roads across Crocodile Dundee creeks and rivers up the Cape York Peninsula to Australia's northernmost tip, accessible during the dry season and only with a four-wheel-drive.

But I had been warned that Port was not what it used to be, that it had lost its small-town charm since developers built the multimillion-dollar Sheraton Mirage and golf complex complete with a man-made lagoon filled with chlorinated salt water bordered by fake beaches. Louis Vuitton and Ermengildo Zegna had opened boutiques in the new marina and Quicksilver now operates vessels out of the harbor carrying up to 200 people a day to visit the Great Barrier Reef, depositing their human cargo on man-made floating platforms.

I pulled into the center of town. Nobody around. The main street stretched from the quiet harbor bordered by acres of mangroves, which had been a reprieve from the developers, to the four-mile (6.5-kilometer) beach along the South Pacific. A tiny, white clapboard church stood alone on the shore. Cheryl, an urban refugee in cut-off jeans and an 11-year resident, was getting the picture-perfect church with a large bay window overlooking the sea ready for a wedding the next day.

I was starting to like the place: great setting, good local color, laid-back atmosphere and no tour buses. But Cheryl did mention that old time residents like herself were a "dying breed." She added: "The church was only moved here recently, you know, in 1989." The townspeople collected money to save the once derelict Catholic church from demolition.

Cheryl was getting the place ready for a Japanese wedding, part of the package tour for Japanese honeymoon couples golfing at the Sheraton Mirage. Thanks to the steady

flow of Japanese weddings, as many as 10 a month, upkeep is no longer a problem.

Oh well, so the church hadn't been there for centuries beckoning home weary sailors from the sea.

I wandered onto the covered terrace of the Old Court House, Port's oldest hotel (pub) and still a favorite meeting place, where locals greet new arrivals without as much as a glance. Jody, 22, a student from Melbourne, said she had come for a week and stayed two years; so had many of her friends from the recession-hit Australian cities. Elegant Belle, 86, holding a bottle of cold beer in a Styrofoam cooler, has been there since the '40s. She was on her weekly pub outing, which she said keeps her young. Her wavy gray hair combed back in a '40s style, she did a two-step to a tune the local minstrel strummed on his guitar.

Up the street, past palm trees and noisy green- and red-bellied parrots I was attracted to Danny's, a Queensland-style painted

Despite a new hotel and tour groups, Port Douglas retains a certain charm.

wooden house turned restaurant, by a sign that read: crocodile ravioli and bugs (an Australian prehistoric-looking shellfish). Here Rita, another urban refugee from Sydney, orchestrated a wonderful meal of sweet bugs (forget lobster) and coral trout (far above anything European or American) with a bottle of Katnook Estates.

After dinner, Belle & Co., still going strong, had moved on up main street to the Iron Bar, one of the newer additions to Port Douglas, built of corrugated iron sheets to simulate a shack in the Australian outback. The menu boasted Van Diemen's Land Chili Scallops (Van Diemen's Land was the original name of Tasmania) and Ned Kelly's Wild Squab Breast in Cajun Armor (Kelly was one of Australia's folk-hero bushrangers who fought against his English jailers in a black iron armor).

By 11 P.M., the small town was asleep. Probably not much of it had remained the same but it had survived—with some of its magic intact—the end of the gold rush that created it, the 1911 cyclone that destroyed it and the railway that bypassed it bringing the sugar cane straight from the

back country around Mossman to Cairns and robbing Port of its livelihood. In the '40s, the town fell on hard times and became an offbeat haunt for writers, artists and nature lovers until the '80s, when even the stingy, jellyfish that make swimming along the shore inadvisable between November and May, could no longer keep rampaging tourism at bay.

Waking up at the Sheraton Mirage, my room overlooking the artificial lagoon, I tried desperately to get even a whiff of sea air. Nothing. When I went looking for the ocean, I meandered through acres of landscaped gardens, passageways, fake beaches, kiddie-activity centers and finally found a small path down to the wide-open beach, which the entire resort had been built to ignore. I decided it was time to check out when an employee-of-the-month award in the marble lounge made me think of the office; I moved to a serviced apartment for one tenth the price in town, a block away from the beach, ready to explore the outback.

I rented a four-wheel-drive and headed for the rain forest, driving first through sugar-cane fields until the clearing abruptly stops and ecotourism at its best starts, with small signs designating a beach, Captain Cook's landing place, a creek, a safe-from-local-predators walking tour complete with mesh along the pathway to keep out the bees, and, of course, "beware of croc" signs. On the way back, I stopped at Silky Oaks, a luxury resort in the rain forest, hunched on arugula and goat cheese and trekked up river, past boulders and waterfalls with shimmering blue Ulysses butterflies everywhere and red ants as clingy as leeches as soon as you stopped; I swung from lianas, spotted a dragon lizard on a branch and swam in cool dark translucent creeks full of—fish. It was only later that I heard about a local woman who had been standing knee deep in the Daintree River between her husband and a friend on New Year's Day and had been swept under by a crocodile.

My need for adventure satisfied, I headed home to Port. Funny how it only took a day and a half to settle in. That must be the secret of the place, but for how much longer? I hear Cooktown, a few miles north, has potential for pampered misanthropic travelers.

Sherry Buchanan is a journalist based in Hong Kong.

THE ARTS GUIDE

ARGENTINA

Buenos Aires
Teatro Colon, tel: (1) 382-3288. Alban Berg's "Wozzeck." Directed by Jose Carlos Plaza, conducted by Stefan Lano. March 28, 31, April 2 and 4.

AUSTRIA

Vienna
Kunsthaus Wien, tel: (1) 712-0495, open daily. Continuing/To April 30: "Jean Dubuffet: Eine Retrospektive." 140 paintings, sculptures, drawings and collages covering the years 1919 to 1985. Also, to April 18: "Visionäre und Verirrte." "Visionaries and the Persecuted" documents the influence on modern Austrian architecture of Austrian architects who emigrated to the United States between 1911 and 1941. Features works by Joseph Urban, Rudolph Schindler and Victor Gruen.

BELGIUM

Brussels
La Monnaie, tel: (2) 229-12-11. Alban Berg's "Wozzeck." Directed by Hans Neugebauer, conducted by Lothar Zagrosek, with Philipp Joll, Ronald Hamilton and Kathryn Harries. March 24, 26, 29, 31, April 2 and 4. Palais des Beaux-Arts, tel: (71) 305-87, closed Mondays. To May 21: "Fleming's Rome, 1508-1608: Artists from the Low Countries and the Principality of Liege in Rome during the Renaissance." Features the works of the Flemish artists who traveled to Italy in the 16th century, and documents their influence on Italian artists. Includes works by Jan Gossaert, Rubens and Pieter Bruegel, as well as drawings, engravings, sculptures and tapestries.

BRITAIN

London
Hayward Gallery, tel: (171) 261-0127, open daily. To April 29: "Yves Klein: Leap into Void." Features 110 works, including the "International Klein Blue" monochrome paintings, body imprints created by nudes used as "living brushes," fire paintings and sculptures as well as film scenarios, writings and photographic records of his provocative performances. National Gallery, tel: (71) 639-1785, open daily. To May 21: "Spanish Still Life: From Velazquez to Goya." 70 still life paintings in Spain, from the origins in 1748 to Goya in 1828. Includes works by Juan van der Hamen, who painted for the king and nobles at the court in Madrid, and Zurbarán.

National Portrait Gallery, tel: (171) 306-0055, open daily. To June 11: "Richard Avedon: Evidence (1944-1994)." More than 150 black-and-white photographs provide a retrospective of Avedon's career.

Royal Academy of Arts, tel: (71) 494-5515, open daily. Continuing/To April 2: "The Revival of the Palladian Style." 120 paintings, drawings, engravings and models, including work by Inigo Jones, Andrea Palladio and William Kent trace the evolution of Chiswick House, the prototype for the Palladian Revival that took place in England during the 18th century. Also continuing to May 21: "Ottobello Redon: Prince of Dreams." Brings together 180 works by the visionary artist, including his early "nons," i.e. charcoal drawings and his color paintings, pastels and watercolors. Serpentine Gallery, tel: (71) 402-0343, open daily. To May 1: "Take the Time (I'm Yours)." In displaying works as both pieces of art and as utilitarian objects, the exhibition allows visitors the opportunity to touch, use, test, buy or take away the objects on view. Oxford Ashmolean Museum, tel: (1865) 278-000, closed Mondays. To May

14: "Edward Lear: Drawings and Watercolors." Although the 19th-century artist is best known for his humorous drawings and verses, he is also appreciated for the landscapes, birds and other animals he drew during his many travels abroad.

CANADA

Montreal
Musée des Beaux-Arts, tel: (514) 285-1800, closed Mondays. Continuing/To April 9: "Gauguin et l'Ecole de Pont-Aven." More than 100 works by Gauguin, Emile Bernard and the group of artists who painted in Brittany at the end of the 19th century. Musée du Québec, tel: (418) 649-21-50, closed Mondays. To May 14: "Dieter Appelt." 68 works by the German photographer taken over the past 30 years. Beginning with a period dedicated to the human body, the exhibition also shows Appelt's interest in Venice, the poet Ezra Pound, and his current fascination with nature. The exhibition will travel to New York, New Orleans and Berlin.

DENMARK

Copenhagen
The Royal Danish Opera, tel: 33-32-20-20. Puccini's "La Bohème." Directed by Fokke Aberniss, conducted by Mads Rasmussen. Cast: Hermandt and Majken Blerno/Gitta Maria Sjöberg. April 4, 12, 15, 27. Humlebaek Louisiana Museum of Modern Art, tel: 45-42-19-07-19, open daily. Continuing/To April 5: "Aagaard Jom." A retrospective of 100 paintings, most of them dating from the last 20 years of the Danish abstract painter's life.

FRANCE

Grenoble
Musée de Grenoble, tel: 76-63-44-44, closed Tuesdays. To May 28: "Rebecca Horn." More than 50 installations created by the German artist between 1968 and 1994. Paris Centre National de la Photographie, tel: 53-76-12-31, closed Tuesdays. To May 15: "Sarah Moon: Vrais Semblants." 150 photographs trace the evolution of Sarah Moon's work from fashion photographs at the early stages of her career to travel images today. Also on view is footage of advertising films Moon created, and a movie she produced on Henri Cartier-Bresson. FNAC Montpellier, tel: 69-84-31-95, closed Sundays. To April 28: "Munch und Deutschland." Works by Edvard Munch, including the Leberstries series, portraits and street scenes as well as 40 works by Symbolist painters such as Böcklin, Klinger and Schmidt-Rottluff, and Expressionist artists such as Kirchner and Heckel.

GERMANY

Berlin
Alte Museum, tel: (30) 20355-200, closed Mondays. To April 28: "Munch und Deutschland." Works by Edvard Munch, including the Leberstries series, portraits and street scenes as well as 40 works by Symbolist painters such as Böcklin, Klinger and Schmidt-Rottluff, and Expressionist artists such as Kirchner and Heckel.



Ad for Anic cigarettes, created by Sepo in 1938, is among thousands of posters for sale at the International Vintage Poster Fair, Park Central Hotel New York April 1 and 2.

Germania Historisches Museum. tel: (30) 21-50-20, closed Sundays. Continuing/To April 18: "Autrag Kunst 1949-1990." 41 art works commissioned by the East German government from 1949 to 1990. Deutsche Oper, tel: (30) 34-36-1. Puccini's "Die Mädchen aus dem Goldenen Westen." Directed by Frank Cassano, conducted by Paolo Otti, with Gaila Kalina, George Fortuna, Cornelia Murgu and Uwe Peper. March 26, 31, April 4 and 7. Cologne Wallraf-Richartz-Museum, tel: (221) 2-21-23-72, closed Mondays. To April 17: "Weisheitszeichnungen: Von Leonardo bis zu Rodin." A selection of miniatures, drawings and watercolors from the graphic arts collection of the museum, including works by Leonardo, Raphael, Dürer, Rembrandt, Ingres, Rodin and others. Munich Haus der Kunst, tel: (89) 21127-0, open daily. To May 7: "The Spirit of Romanticism in German Art, 1790-1800." Explores the Romantic tradition in German art and its relationship

ISRAEL

Jerusalem
Israel Museum, tel: (2) 708-811, open daily. To June 18: "Princely Taste: Treasures from Great Private Collections." On loan from six private collectors including those of the Prince of Liechtenstein, Baron Thyssen-Bornemisza and the Rothschild family, 300 art objects from the 15th to the 19th centuries. Includes, bronze, marble and ivory sculptures, gold and silver vessels, manuscripts, paintings and weapons.

ITALY

Bologna
Villa delle Rose, tel: (51) 50-28-59, closed Mondays. To April 23: "Nunzio: Opere 1966-1995." 20 sculptures created between 1966 and 1995 by the Italian artist. Milan Teatro alla Scala, tel: (2) 80-91-60. Verdi's "Stiffelio." Directed by Elijah Moshinsky, conducted by Gianfranco Corbelli, with Marco Bert, José Carreras, Kalfen Espersen and Mario Luperi. March 26, April 2, 5, 6, 8, 9 and 19.

JAPAN

Aichi
Museum of Art, tel: (568) 75-87-87, To April 23: "Conversations with Beauty." Features 60 Western and Japanese-style paintings and sculptures. Tokyo Bridgestone Museum, tel: (3) 35-83-17, closed Mondays. To April 2: "Renoir and Japanese Painters." Works by the French Impressionist artists such as Ryuzaburo Uemura and the National Museum of Western Art, tel: (3) 3828-5131, closed Mondays. To May 14: "Gustave Moreau." Works by the French painter who favored biblical and mythological subjects. Yokohama Yokohama Museum of Art, tel: (45) 221-0300, closed Thursdays, Feb. 23 and March 20. To April 9: Robert Rauschenberg's "Watercolor." A retrospective of the work of the American photographer, including 180 photographs taken between 1944 and 1994, as well as 15 films and videos. The exhibition will travel to Zurich, Amsterdam and New York.

NETHERLANDS

Amsterdam
Van Gogh Museum, tel: (0) 20-570-5200, open daily. To May 14: "Jean-Louis Forain: Drawings and Watercolors." More than 50 works, mainly on paper, created in the 1870s and '80s by the member of the Impressionist movement and chronicler of the Belle Epoque.

PORTUGAL

Lisbon
Centro Cultural de Belém, tel: (1) 301-96-06, Monday to Sunday. To May 28: "Pinura Mannerista em Portugal." An overview of the Mannerist movement in Portuguese art, from the late 16th to the early 17th century.

SPAIN

Barcelona
Fundació Joan Miró, tel: (83) 329-19-06, closed Mondays. To May 14: "Julian Schnabel." 30 large-format paintings and four monumental sculptures produced by the artist between 1978 and 1974. Madrid Fundación Juan March, tel: (1) 425-42-40, open daily. To May 21: "Klimt Kokoschka, Schiele. Un sueno vienes." More than 30 oils on canvas, created between 1898 and 1918 by the three representative figures of the Viennese avant-garde. Museo Nacional Centro de Arte Reina Sofía, tel: (91) 467-5062, closed Tuesdays. To May 22: "An-

thony Cragg." 30 sculptures created between 1980 and 1995, in which the artist uses stone, bronze, wax, metal, crystal and wood. Museo del Prado, tel: (1) 420-28-36, closed Mondays. To April 30: "Zurbarán: Las Doca Tritus de Israel." An exhibition dedicated to Zurbarán's series of iconographies, the famous of which represent saints forming processions and being destined for convent cloisters and walls.

SWEDEN

Stockholm
Nationalmuseum, tel: (8) 666-4250, closed Mondays. To May 1: "Stilleben." A selection of works by still life artists from the 16th-18th century to the present time. It includes Flemish "vanitas," kitchen scenes by Zurbarán, "natures mortes" by Chardin and 20th-century still lifes by Mondrian, Braque and Picasso, among others.

SWITZERLAND

Geneva
Grand Théâtre, tel: (22) 311-22-18. Gounod's "Faust." Directed by Robert Carsen, conducted by John Nelson, with Giuseppe Sabbatini, Samuel Ramey, Jeffrey Black and Deborah Riedel. April 3, 6, 9, 12, 13, 18, 21 and 23. Martigny Fondation Pierre Gianadda, tel: (26) 22-38-78, open daily. Continuing/To May 14: "Egon Schiele: Hules, dessins, et aquarelles." Dedicated to the work of the Expressionist artist, this exhibition displays his preoccupation with death, insanity and sex.

UNITED STATES

Chicago
The Art Institute, tel: (312) 443-3600, open daily. Continuing/To May 28: "Gustave Caillebotte: Urban Impressionist." A commemoration of the 100th anniversary of the painter's death, with 89 paintings and 28

works on paper. The exhibition includes still life of animals, fruit, and flowers, portraits of his family and landscapes.

Houston
Museum of Fine Arts, tel: (713) 639-7300, closed Mondays. To May 17: "William de Kooning: The Washburn Museum Collection." Celebrating the 90th anniversary of de Kooning's birth, the exhibition features more than 30 works which mix the rigorous structures of Cubism with the expressive freedom of Surrealism.

New York
Metropolitan Museum of Art, tel: (212) 570-5791, closed Mondays. Continuing/To May 14: "R. B. Kitaj: A Retrospective." 100 works by the American artist who lived and worked in London for more than three decades. Themes refer to Kitaj's years as a merchant seaman, to the history of art, and to the recognition of the artist's Jewish heritage. Whitney Museum of American Art, tel: (212) 570-3633, closed Mondays and Tuesdays. To June 4: "1955: A Retrospective." With an emphasis on younger artists, works by 35 filmmakers and artists will be displayed. The new generation of artists is clearly concerned with such social phenomena as AIDS, sexuality, information and other signs of our times. The exhibition will travel to Prague.

CLOSING SOON

On March 25: "Alphonse Mucha (1860-1939)." Mona Bismarck Foundation, Paris. On March 26: "East Meets West: Chinese Trade Porcelain." British Museum, London. On March 28: "Luxe, Calme et Volupté: Regards sur le Post-Impressionisme." Casino Luxembourg, Luxembourg. "Couleurs de Tunisie: 25 Siècles de Céramique." Institut du Monde Arabe, Paris.

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INTERNATIONAL

France Denies Selling Missiles To Iran in Exchange for Peace

By Joseph Fitchett
International Herald Tribune

PARIS — France indignantly denied a published report Thursday that it had sold missiles or other weapons to Iran to buy off a threat of terrorist operations in Paris last fall when other Western nations were trying to isolate the Tehran regime.

The allegation of a secret deal with Tehran surfaced at a sensitive juncture for French diplomacy because the United States and Arab governments are alarmed by Iran's growing ability to destabilize the Gulf.

On Wednesday, the U.S. secretary of defense, William J. Perry, said that Iranian military forces on strategic islands in the Strait of Hormuz had been equipped with missiles and

chemical weapons and constituted a threat to oil tankers in this choke point at the mouth of the Gulf.

Already suffering strained ties with Washington, Prime Minister Edouard Balladur and Interior Minister Charles Pasqua on Thursday denied making missile deliveries to Iran. Mr. Pasqua went to unusual lengths by announcing that he would seek criminal charges against individuals responsible for the article in L'Express, a weekly.

In its article, L'Express said Mr. Pasqua had arranged the export of missiles to Tehran, via Algeria and Cyprus, to appease Iran's rulers before the Paris trial of the killers of Shapur Bakhtiar, the Shah of Iran's last prime minister, who was murdered in Paris in 1991. In the trial last November, the Paris

court acquitted the only defendant whose official position could have linked the Tehran government to the assassination.

The planeload of arms was sent before the trial, the magazine said, naming as the go-between Jean-Charles Marchiani, a French official who has handled hostage deals for Mr. Pasqua in the past. He has threatened to sue for libel.

The magazine said its allegations had been confirmed by unnamed sources in France's Foreign Ministry and foreign intelligence service, but Mr. Pasqua retorted that the L'Express report was "a disinformation operation" aimed at him — and by implication at Mr. Balladur.

Evidence supporting the French government's position emerged Thursday when Cyprus said that it had received six French-made Exocet missiles on the date of the reported French shipment via Cyprus to Iran. The missiles will appear in a military parade Saturday, Cypriot officials said, as proof that they did not go to Iran.

Mr. Balladur's office said Thursday that his government had not sold missiles to Iran or Algeria, but had delivered some to Cyprus, with a strict injunction against any re-export.

In the version in L'Express, Mr. Pasqua got leaders of Algeria's military regime to act as intermediaries in buying the weapons and delivering them. Although theoretically opposed to Islamic fundamentalists, these Algerian officials did the job for commissions, the magazine said.

The missiles in question, MM40 ship-to-ship Exocets of the type used by Argentina against the British Navy in the Falklands war in 1981, can be fired from land.



Turkish troops in the offensive waiting for helicopters Thursday in northern Iraq.

Russia Disputes View Of Iran's Nuclear Goal

By Fred Hiatt
Washington Post Service

MOSCOW — Russia's external intelligence agency on Thursday disputed U.S. contentions that Iran is developing nuclear weapons and should be barred from obtaining nuclear technology.

Russia's proposed \$1 billion sale of a nuclear reactor to Iran, with the possibility of further sales and technical cooperation, has alarmed Washington and emerged as a major problem in U.S.-Russian relations.

Washington maintains that Iran is a rogue state, supporting terrorism beyond its borders and covertly seeking nuclear arms.

But Yevgeni M. Primakov, head of the Russian equivalent of the CIA, said Thursday that his agency did not support the U.S. view.

"We have not found convincing evidence of the existence in that country of a coherent military nuclear program," Mr. Primakov said at a news conference. "Iran's level of achievement in the nuclear field does not exceed that of another 20 to 25 countries."

Mr. Primakov's statement came as his agency issued a 73-page report on the nuclear status of more than a dozen countries and of the overall record of the nuclear nonproliferation treaty. Despite some failures to prevent the spread of nuclear weapons, the treaty should be

extended at an international conference this spring, the agency concluded.

The report, in a four-page section on Iran, is actually quite guarded, with numerous double negatives and hedging phrases.

"Convincing signs" of a coordinated nuclear program "have so far not been uncovered," it states. U.S. contentions that Iran could develop nuclear weapons within five years "raise doubts," it adds.

"The current state of its industrial potential is such that, without help from outside, Iran is not capable of organizing the production of weapons-grade nuclear materials," the report says.

The intelligence agency also points out that Iran is a signatory of the non-proliferation treaty in good standing and that International Atomic Energy Agency inspections have failed to uncover any violations.

The light-water reactor that Russia has agreed to sell Iran has no usefulness for weapons-building, Western officials here acknowledge. But they fear that a nuclear-energy program would give Iran cover for obtaining other materials and technology that could be useful.

The U.S. secretary of state, Warren M. Christopher, meeting this week with Foreign Minister Andrei V. Kozirev, urged Russia to cancel the deal. He said it is in Russia's interests to prevent Iran from developing nuclear weapons.

TURKEY: Ankara to Leave Army Inside Iraq to Keep Kurds Off Border

Continued from Page 1

of chaos. Iraqi forces withdrew from the area after the Gulf War.

Turkish troops, who pushed over the border on Monday, have gone 40 kilometers (25 miles) inside Iraq. The army says it has killed about 200 of the estimated 2,400 rebels based there and captured numerous munitions and weapons. The army says that 13 soldiers have died in the fighting, which it characterizes as sporadic.

The guerrilla war in southeastern Turkey has killed 15,000 people in the last 10 years.

Turkish officials say that the power vacuum in the north had made it easier for the Kurdish Workers Party to establish base camps and arms depots. These officials say they will not permit a return to the status

quo, even in the face of severe international criticism.

"The operation is being conducted not to kill terrorists, but to clean the area out so that terrorists cannot threaten Turkish civilians on the other side of the border," said N. Murad Ersavci, the director-general of press and information for the Turkish prime minister's office.

The Turkish government dismissed criticism from Baghdad on Thursday that it had violated Iraqi sovereignty. Turkish officials said that since Baghdad had no presence in the north it did not have sovereignty over the area.

"This is not a violation of Iraqi sovereignty," Mr. Gonenay said.

He added: "The PKK terrorists have used this vacuum to hit us. We are the only ones who can go in and pick out from

among the people the PKK terrorists and come back. If the Western allies don't want us to stay there they should find a joint solution with us."

Turkish officials said they were considering a variety of options to maintain control over the volatile border region. These included, they said, a buffer zone similar to that set up by the Israelis in southern Lebanon.

Allied Flights Resume

U.S. and allied planes resumed flights Thursday to enforce their no-flight zone over northern Iraq. Reuters reported from Washington. A U.S. military official said the flights resumed after arrangements were worked out with Turkey to prevent a conflict between the no-flight operation and Turkey's incursion against Kurdish rebels.

Suspect Japan Cult Claims a Foothold Of 30,000 in Russia

By Alessandra Stanley
New York Times Service

MOSCOW — The Japanese religious sect that is under investigation in the poison gas attack in the Tokyo subway this week has made remarkable inroads in Russia, where it claims to have recruited 30,000 members.

And the sect, which is one of the country's more aggressive and successful evangelizing religious, is also one of the more controversial.

Last year the Committee to Rescue Youth, a grass-roots parents' group, brought a criminal suit against the Russian branch of the Aum Shinrikyo sect, asserting that its leaders had kidnapped and brainwashed dozens of people.

Aum Shinrikyo mixes Hindu and Buddhist beliefs as well as other practices. It began operating in Russia in 1992, claims to have five chapters in Moscow and one in Vladikavkaz, and also has an hour-long daily radio program in Moscow.

Until last year, when the dispute over the sect's practices caused the station to end its contract, it also had a weekly half-hour prime-time show called "Learning the Truth," on the Moscow independent television network 2Times.

"They are different from groups like Jehovah's Witnesses, which had established worldwide organizations before coming to Russia," said Alexander Dvorkin, who heads a research center of the Russian Orthodox Church on cults and foreign sects.

"They were only somewhat known in Japan; Russia was the first country in which they chose to expand," he said. "And they came here with a lot of money."

On Wednesday the spiritual leader of the sect's Russian branch, Fumihiko Joji, who is known to his followers as Maureya Saitashi, held a news conference in his headquarters to deny any connection between Aum and the poison gas attack.

Dressed in turquoise pajamas and surrounded by about 50 followers, he spoke in Japanese and English as Russian interpreters translated his words for Russian reporters.

On March 15 the police raided Aum's main headquarters in Moscow. The day after the raid, Mr. Joji asserted at a news conference that the authorities were persecuting the sect.

So far at least 10 witnesses have stood up in the trial and testified about wives' personalities changing overnight or grandchildren disappearing.

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BOSNIA: Washington, After Talks With Russia, Floats New Proposal to Nudge Serbian Leaders Toward an Accord

Continued from Page 1

indicating the direction that peace efforts are moving, diplomats from those three countries hinted that they might favor a gradual lifting of sanctions against Serbia as it takes steps to recognize Bosnia and support the peace process.

Even though the new American proposal would not require Serbia to formally recognize Bosnia, several administration

officials said that any agreement by Serbia to recognize constitutional principles about the future shape of Serbia would be close to recognizing Bosnia and its external borders.

"In theory, this would undercut the Bosnian Serbs a lot," said an official in Mr. Christopher's entourage. "They'd be totally isolated."

Several officials said that if Mr. Milosevic went a step further and recognized Bosnia, there might be an additional

step in lifting sanctions. A first step might be to lift the embargo on normal trade, and a second might be to end the embargo on financial services or strategic goods, one official said.

After two days of meetings here, Mr. Christopher and Mr. Kozirev emphasized that it was important to reinvigorate the contact group and to develop a new common position on the war in the former Yugoslavia.

At a news conference after

their meeting, the two diplomats announced that the United States and Russia were forming a working group to prepare a report on the proliferation of weapons of mass destruction around the world.

American officials said they hoped the working group would describe a possible nuclear threat from Iran and would help persuade Russia to abandon plans to build four nuclear reactors in Iran.

Mr. Christopher criticized the Russian invasion of Chechnya, and American officials said Mr. Kozirev did not indicate any plans to resolve the war there through negotiations.

Mr. Kozirev praised President Bill Clinton's decision to visit Moscow in May to attend a 50th anniversary celebration of the victory over Nazi Germany. The two senior diplomats met at a time when Washington-Moscow tensions have grown tense over Chechnya, nuclear sales to Iran and Russia's objections to expanding the North Atlantic Treaty Organization.

"I would say indeed the honeymoon has come to an end," Mr. Kozirev said. "The sobering period in the wake of the honeymoon has not ended in divorce, but in a growing ability

to resolve jointly the problems we face."

Bosnian Demand to UN

The New York Times reported from New York:

The Bosnian government said Thursday that when the peacekeeping mandate for the former Yugoslavia expires at the end of this month, Bosnia-Herzegovina wants no more than a 30-day extension, during which time the operation in that country should be reviewed and strengthened.

The demand, made in a letter to the UN by President Alija Izetbegovic, comes in the middle of intense negotiations over the creation of a new peacekeeping force for Croatia. The Security Council would like to have a resolution ready when the mandate expires March 31.

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ALGERIA: Journalists and Artists Are Paying a High Price for Defiance

Continued from Page 1

will continue," Mr. Belhouche said in an interview. "Two hundred journalists have left their homes, and most are in hiding now." Since he spoke, a 37th was shot dead on Tuesday.

"The country is living in the throes of war," said a senior official of the Islamic Salvation Front, the political party representing Muslim militants. "Every human being on this patch of land is exposed to danger. Journalists and everybody else. Anybody can be killed."

A half-dozen journalists interviewed at the television station and at the Maison de la Presse, Algeria's national press club, have been living on the edge for months, eluding the gunmen looking for them by changing homes, checking into hotels, or moving in with relatives.

Mr. Belhouche, 42, said he had escaped two assassination attempts. His children now live abroad with his grandmother. "This is my country," he said indignantly when asked what makes him stay. "We are all

fighting for a free press. It is not your job to come and fight for our press freedom."

"We are rebels," Mr. Belhouche added, describing his countrymen's tenacity. He has served jail terms and been sued as a result of investigative reports Al Watan has published on the mismanagement of public funds by the Health Ministry.

"People who have to work and function in Algeria have to feel they are on a mission," said another newspaper editor in the city of Oran. "If all the people

who understand something will desert, then the Islamic Salvation Front will win."

When Said Mekbel, the commentator of Le Matin, was shot and killed, his newspaper reprinted his articles and byline for days, to spite the killers.

■ Son of War Hero Killed

Suspected Islamic guerrillas shot and killed the son of one of Algeria's most respected independence fighters, Algerian state-run television said on Thursday. Reuters reported from Tunis.

On May 8th, the IHT will publish a Special Report on

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THE WORLD'S DAILY NEWSPAPER

CULT: Writings of Self-Styled 'Venerated Master' Reflect Fear and Hate

Continued from Page 1

suggests that he has not left Japan.

Aum Shinrikyo is the third religious group formed by Mr. Asahara. It is targeted primarily at young people who have felt alienated from Japanese society.

A thirst among the disaffected young for some spiritual nourishment spurred a marked growth in so-called new religions even as Japan was growing vastly richer in the 1980s.

Mr. Asahara, born as Chizuo

Matsumoto, was the fourth son of a maker of tatami mats in southern Japan, according to biographies and material provided by his cult.

Handicapped by a serious vision impairment, he had a fight-filled school career. After high school, he took up acupuncture, evidently hoping it might help improve his vision.

He then moved into the pharmaceutical and health- tonic business, but was jailed and fined in 1982 for selling counterfeit medication.

With two failed businesses behind them, Mr. Asahara and his wife founded their first cult, The Heavenly Blessing Association, in 1982. This was folded, and the guru next started the Aum Divine Wizard Association.

That was when he decided that Buddhist principles would permit him to defy gravity and fly, a skill he has been trying to teach his followers ever since.

In 1987, the current sect, Aum Shinrikyo, was formed. There are various interpretations of the word "Aum." Some say it is the Sanskrit word for an element of doctrine; others say the word, pronounced Oh-m in Japan, is one of the mantras that Buddhist monks chant in

seeking the blissful state known in Japanese as *satori*.

In his book "The Ultimate Power," Mr. Asahara claims that he is "the only person in Japan who has achieved the ultimate state of *satori*."

From blissful, however, his writings and speeches reflect fear and hatred of many enemies. Among the few people he praises, other than ancient Buddhist saints, is Adolf Hitler. Mr. Asahara says Hitler was a "true prophet" who could clearly see the future because he had the "mystic power" of the occult.

In his latest book, "The Land of the Rising Sun is Headed Toward a Bitter Fate," Mr. Asahara contends that the United States and Europe have joined sides "to force Japan into economic disaster."

Without making the reason clear, he predicts a U.S. nuclear attack on Japan during the period 1996 to 1998, but says his followers will be protected.

This kind of message has evidently found an audience. The cult claims 10,000 to 30,000 followers, many of whom leave renounce their families and transfer all their wealth to the sect. The police estimate that the cult has about 8,000 members, some of them professionals, including doctors and lawyers.

Correction

In the International Herald Tribune's March 13 Sponsored Section on "Doing Business with China," it was incorrectly stated that McDonald's had agreed to vacate its flagship store in downtown Beijing. In fact, discussion with the Beijing government is ongoing.

EUROPE

Lufthansa Reports a Profit In First Year as Private Firm

Compiled by Our Staff From Dispatches
FRANKFURT — Lufthansa AG reported Thursday a pretax profit for 1994, its first year as a private airline, ending three straight years of losses.

The German carrier said it made a pretax profit of 306 million Deutsche marks (\$216.6 million) for 1994 due to cost reductions and higher passenger sales rose 7 percent, to 16 billion DM, from 15 billion DM in 1993, the company said.

Lufthansa also said it had a net profit in the fourth quarter of the year slightly below that of the third quarter. The third-quarter pretax profit was 220 million DM.

The carrier lost 110 million DM after taxes in 1993 after reporting a 53 million DM pretax loss. "The improvement in results over the previous year," the company said, "was actually higher than the pretax profit alone would suggest."

The new figures were for the parent company only, not counting subsidiaries. Final results, including net profit and dividends, will be released May 16.

Lufthansa, which last year established the world's biggest airline network with United Airlines and Thai Airways International, said unit costs declined by 4.4 percent because of lower labor costs, interest charges and fuel bills.

The parent company cut its work force by 2,700 employees, to 44,100 at the end of 1994, the airline said, while productivity per employee rose more than 15 percent over the year.

Lufthansa's stock closed down 13.60 DM, at 165 DM, in Frankfurt. Some traders said they were disappointed that the 1994 profit was lower than that reported for the third quarter.

But not all agreed. "There's really no valid reason why Lufthansa stock should have fallen," Kathryn Brown, an analyst with NatWest Securities Ltd., said. "The market just isn't focusing on fundamentals today. The Lufthansa results are in line with expectations."

(Bloomberg, Reuters, AFP)

KLM Raises Air UK and Martinair Stocks
KLM Royal Dutch Airlines NV is increasing its stake in Air UK Holdings Ltd. and the Dutch airline Martinair Holland NV, news services reported from Amsterdam, Netherlands.

The airline said it would raise its holdings in Air UK to 45 percent from 14.9 percent. A KLM spokesman said the two companies agreed not to disclose the value of the transaction. He said the airline wanted to increase its stake in Air UK because that company was "somewhat undercapitalized."

KLM also said it was increasing its stake in Martinair to 50 percent from 33.82 percent. Martinair's other major shareholder, the shipping company Royal Nedlloyd NV, will also raise its stake to 50 percent, from 49.19 percent.

A KLM spokesman refused to say how much the outstanding shares would cost. They are owned by IGO and Securitas, two investment funds.

(Bloomberg, AFP)

LVMH Stake Shift Bolsters Income

Compiled by Our Staff From Dispatches

PARIS — LVMH Moët Hennessy Louis Vuitton SA said Thursday its profit surged 80 percent last year, aided by a huge one-time gain from restructuring its alliance with Guinness PLC.

The French luxury-goods company also said profit was helped by a recovering global economy and aggressive marketing, and it predicted stronger growth in 1995.

The maker of liquors, champagnes and leather goods said it earned 6.42 billion francs (\$1.29 billion) last year, compared with 3.57 billion francs in 1993.

That included a one-time gain of 2.75 billion francs from the restructuring of its cross-holdings with Guinness. LVMH reduced its stake in the British beverages company to 20 percent from 24 percent, and Guinness exchanged a 24 percent stake in LVMH for a 34 percent stake in LVMH's beverage unit, Moët Hennessy.

LVMH used the cash to

reduce its debt and to increase its stake in Guerlain SA, a cosmetics company.

Excluding one-time items, LVMH said its profit rose 23 percent, to 3.67 billion francs. The company's sales rose 17 percent, to nearly 28 billion francs.

Chairman Bernard Arnault said he thought growth would continue, and he predicted 1995 would be "an excellent year for LVMH."

"We will continue to reap benefits from our aggressive strategy and from our maintained investment spending with new units in Asia and South Africa and the opening of new stores," Mr. Arnault said.

Mr. Arnault said the weak dollar would have no impact on LVMH's accounts in the first half of this year because the company was "entirely hedged."

LVMH also raised its dividend to 17.5 francs from 15 francs. LVMH shares closed 17 francs higher, at 888.

(AP, AFP, Bloomberg)

Sandoz Set To Divest Chemicals Division

Compiled by Our Staff From Dispatches

BASEL, Switzerland — Sandoz AG said Thursday that its board would propose to shareholders a plan to restructure the food and pharmaceuticals company by transforming the chemicals division into an independent business.

The announcement came as the Swiss company reported a 2 percent rise in net profit in 1994.

Sandoz said it was considering a number of options, in particular selling the chemicals division outright, making an initial public offering or demerging it and leaving present shareholders with shares in two separate entities.

"We wanted to concentrate on key areas," said Raymond Broc, chief financial officer. "That led us to the conclusion that we had to spin off or demerge from Sandoz Chemicals."

We realized that the range of our portfolio is probably too large for the future."

"Health and nutrition, and the synergy we see in linking the two sectors, will shape the future growth pattern of the group," Chairman Marc Moret said.

Reporting 1994 results, Sandoz said net profit rose to 1.73 billion Swiss francs (\$1.48 billion), from 1.71 billion and said operating profit was up 12 percent, to 2.45 billion francs.

(Bloomberg, Reuters)

Union Minière Profit

Union Minière SA posted Thursday a profit for 1994, its first in four years, news services reported from Brussels.

The company, the world's biggest zinc refiner, said rising metals prices and cost-cutting helped it post a net profit of 89 million Belgian francs (\$3.1 million), compared with a loss of 2.57 billion francs a year earlier.

In the three years through 1993, the company lost a total of 9.64 billion francs.

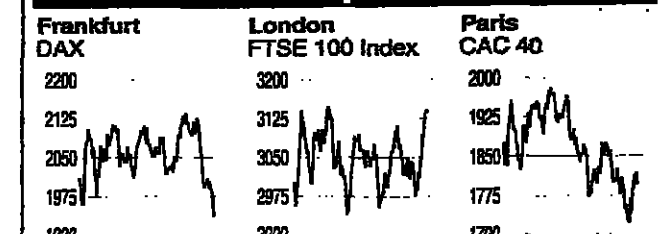
Sales rose 17 percent, to 122.9 billion francs.

"Metal prices increased," the executive officer, Karel Vinck said, "but that was compensated for by a fall in the dollar."

The company said it was "cautiously optimistic" for 1995.

(Bloomberg, Knight-Ridder)

Investor's Europe



Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	EOE	388.33	392.86	-1.15
Brussels	Stock Index	6,828.32	6,870.57	-0.61
Frankfurt	DAX	1,996.07	1,982.66	-0.67
Frankfurt	FAZ	734.89	736.81	-0.26
Helsinki	HEX	1,596.84	1,631.14	-2.10
London	Financial Times 30	2,398.40	2,393.90	+0.23
London	FTSE 100	3,136.40	3,138.70	-0.11
Madrid	General Index	264.06	267.60	-1.32
Milan	MBTEL	8,419.00	9,530.00	-1.18
Paris	CAC 40	1,795.66	1,817.98	-1.23
Stockholm	SX 16	1,525.75	1,540.55	-0.96
Zurich	ATX Index	967.12	977.58	-1.07
Zurich	SBS	878.16	885.56	-0.84

Sources: Reuters, AFP

Very briefly:

• Istituto per la Ricostruzione Industriale, the Italian state-owned conglomerate, said its net loss fell to 500 billion lire (\$294.4 million) in 1994 from 10.21 trillion lire in 1993.

• Eurocopter International, a subsidiary of France's Aerospatiale, won a \$235 million helicopter deal with the United Arab Emirates.

• The Netherlands said it plans to sell a second batch of shares in Royal PTT Nederland NV late this year or early in 1996. An earlier statement had ruled out a sale in 1995.

• Knauf AG said Wolfgang Urban, the deputy chairman, has been appointed to replace Jens Odewald, who steps down as chairman at the end of the month.

• Groupe Bic Multinational SA said its consolidated net profit rose 92 percent, to 763 million francs (\$152.7 million) in 1994 from 396 million francs in 1993.

• Motorola Inc. has approached the French state with a proposal to create a joint research unit with Groupe Bull. Under its plan, the unit would also acquire a small share in Bull itself.

• Wellcome PLC's chairman, John Robb, said he would resign now that Glaxo PLC has taken control of his company.

• French consumer spending rose 2.0 percent in February, following a 2.3 percent decline in January.

• Banco Central Hispanoamericano SA's chairman said he expected "substantial" gains in the bank's results and dividend in 1996 and 1997, the Expansion financial newspaper reported from Madrid.

• Crédit Commercial de France SA said 1994 net profit rose 12 percent, to 1.2 billion French francs, thanks to a sharp decline in provisions for bad loans.

• Northern Foods PLC said it would spend \$91 million (\$144.6 million) to reorganize operations and cut 2,200 jobs due to increased competition from supermarkets and higher farm prices.

• United Newspapers PLC said 1994 pretax profit rose 17 percent, to £138.2 million, reflecting good results from all divisions except national newspapers.

• British headline inflation rose by 0.6 percent in February from the figure for January, and by 3.4 percent from February 1994.

AFP, Bloomberg, Reuters, AFP, AP

Veba Raises Payout as Net Surges 51%

Compiled by Our Staff From Dispatches

DUSSELDORF — The German utility and chemicals company Veba AG said Thursday that its group net profit rose 51 percent, to \$1.53 billion Deutsche marks (\$1.08 billion), and management recommended that the dividend be raised to 15 DM from the payout for 1993 of 13 DM.

The company attributed the rebound in 1994 to a restructuring and turnaround in the chemicals sector, expansion of its electricity business in Eastern Germany, and forays into telecommunications.

Chief Executive Ulrich Hartmann said that he expected a "clear profit rise" in 1995, bolstered by as much as 500 million DM pretax profit at Huel, but he was not more specific.

(Bloomberg, Reuters)

Nestlé Overcomes France To Post 13% Profit Rise

Compiled by Our Staff From Dispatches

VEVEY, Switzerland — Nestlé SA, the world's biggest food and drinks company, said Thursday that profit last year rose nearly 13 percent because cost-cutting measures and the sale of cosmetics businesses offset weak foreign earnings caused by a strong franc.

The profit of 3.25 billion francs (\$2.8 billion) was aided by a one-time gain of 306 million francs from the sale of the Cosmar cosmetics business to L'Oréal SA of France.

The company also promised shareholders a 6 percent dividend increase, to 26.50 francs a share, up from 25.00 francs.

"The company worked well," a Nestlé spokesman said. "We have done a lot to restructure, and all these things are going to pay off. Due to the fact that we translate into Swiss francs that's not so easy to see."

"At constant exchange rates and excluding the extraordinary capital gain, net profit

would have grown by 10 percent," Nestlé said.

The strength of the Swiss franc, which makes exports more expensive on foreign markets, had a "very marked impact" on sales, Nestlé said.

The company announced earlier this year that sales in 1994 fell 1 percent from 1993, largely because of the strong franc.

The profit rise was at the upper end of expectations, but the shares closed 13 francs lower, at 1.40 francs.

Food analysts voiced concern at the effect of the adverse currency movements on the company's performance.

"It appears that operating gains in the first half of 1994 were wiped out by currencies in the second," said Bank Sal Oppenheim analyst Frederick Hasselauer.

But Nestlé said it did not expect its 1995 profit margin to "suffer" as it did in 1994.

(AP, Bloomberg, AFP)

Guinness Results Benefit From New Drinkers

Compiled by Our Staff From Dispatches

LONDON — Guinness PLC, the beers and spirits company, won new drinkers and entered emerging markets to increase profits by 30 percent in 1994, the company said Thursday.

Pretax profit rose to £915 million (\$1.45 billion), slightly above analysts' expectations. Sales rose 0.6 percent, to £4.69 billion.

"In 1994 Guinness made good progress in strengthening the position of our brands in markets all round the world — recruiting new consumers in mature markets, increasing our share of growing markets and securing a powerful foothold in emerging markets," Chairman Tony Greener said.

"The revised arrangements with LVMH, resulting in a direct 34 percent holding in Moët Hennessy,

has greatly strengthened our joint-venture relationships with them," he said.

LVMH dropped its stake in Guinness from 24 percent to 20 percent.

The company also announced that its U.S. subsidiary, United Distillers Glenmore, had signed a letter of intent with Barton Inc. to take certain brands to Barton for about £75 million and to provide bulk spirits under multiyear supply agreements.

Guinness shares closed 16 pence higher, at 437 pence.

Mr. Greener said profit had increased "after two difficult years arising from world economic and market conditions." Guinness hopes to "make steady progress in profit performance" in 1995.

(AFP, Bloomberg)

INTERNATIONAL FUTURES

High	Low	Close	Change	Settle
Grains				
CORN (CBOT)	100.00	100.00	0.00	100.00
Wheat (CBOT)	100.00	100.00	0.00	100.00
Soybeans (CBOT)	100.00	100.00	0.00	100.00
Metals				
SILVER (COMEX)	100.00	100.00	0.00	100.00
COPPER (COMEX)	100.00	100.00	0.00	100.00
ALUMINUM (COMEX)	100.00	100.00	0.00	100.00
Stocks				
FTSE 100	100.00	100.00	0.00	100.00
DAX	100.00	100.00	0.00	100.00
CAC 40	100.00	100.00	0.00	100.00
Financial				
3-MONTH LIBOR	100.00	100.00	0.00	100.00
3-MONTH EURIBOR	100.00	100.00	0.00	100.00
Commodities				
CRUDE OIL	100.00	100.00	0.00	100.00
NATURAL GAS	100.00	100.00	0.00	100.00
HEATING OIL	100.00	100.00	0.00	100.00

AMEX

Thursday's 4 p.m. Close					
Tables include the nationwide price up to the closing on Wall Street and do not reflect late trading elsewhere. Vis the bid-asked spread.					
Stock	Settle	High	Low	Close	Change
AMEX 500	100.00	100.00	100.00	100.00	0.00
AMEX 200	100.00	100.00	100.00	100.00	0.00
AMEX 100	100.00	100.00	100.00	100.00	0.00
AMEX 50	100.00	100.00	100.00	100.00	0.00
AMEX 25	100.00	100.00	100.00	100.00	0.00
AMEX 10	100.00	100.00	100.00	100.00	0.00
AMEX 5	100.00	100.00	100.00	100.00	0.00
AMEX 1	100.00	100.00	100.00	100.00	0.00
AMEX 0.5	100.00	100.00	100.00	100.00	0.00
AMEX 0.25	100.00	100.00	100.00	100.00	0.00
AMEX 0.125	100.00	100.00	100.00	100.00	0.00
AMEX 0.0625	100.00	100.00	100.00	100.00	0.00
AMEX 0.03125	100.00	100.00	100.00	100.00	0.00
AMEX 0.015625	100.00	100.00	100.00	100.00	0.00
AMEX 0.0078125	100.00	100.00	100.00	100.00	0.00
AMEX 0.00390625	100.00	100.00	100.00	100.00	0.00
AMEX 0.001953125	100.00	100.00	100.00	100.00	0.00
AMEX 0.0009765625	100.00	100.00	100.00	100.00	0.00
AMEX 0.00048828125	100.00	100.00	100.00	100.00	0.00
AMEX 0.000244140625	100.00	100.00	100.00	100.00	0.00
AMEX 0.0001220703125	100.00	100.00	100.00	100.00	0.00
AMEX 0.00006103515625	100.00	100.00	100.00	100.00	0.00
AMEX 0.000030517578125	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000152587890625	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000762939453125	100.00	100.00	100.00	100.00	0.00
AMEX 0.000003814697265625	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000019073486328125	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000095367431640625	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000476837158203125	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000002384185791015625	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000011920928955078125	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000059604644775390625	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000298023223876953125	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000001490116119384765625	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000007450580596923828125	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000037252902984619140625	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000186264514923095703125	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000931322574615478515625	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000004656612873077392578125	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000023283064365386962890625	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000116415321826934814453125	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000058207660913467407171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000029103830456733703589375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000145519152283668517946875	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000727595761418342589734375	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000003637978807091712648671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000018189894035458563243384375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000090949470177292816216921875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000454747350886464081084609375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000002273736754432320405423046875	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000011368683772161602027115234375	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000056843418860803010135576171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000028421709430401505067788089375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000142108547152007525288940446875	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000710542735760037626444702234375	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000003552713678800188132223511171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000001776356839400094066111755589375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000008881784197000470330558777946875	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000044408920985002351652793889734375	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000222044604925011758263969448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000001110223024625058791319847243384375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000555111512312529395659736171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000277555756156264697829868089375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000001387778780781323489149340446875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000006938893903906617445746702234375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000034694469519533087238733511171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000017347234759766543619366755589375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000008673617379883271809683377946875	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000043368086899416359048416889734375	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000216840434497081795242084448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000001084202172485408976210422234375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000005421010862427044881052111171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000002710505431213522440261055589375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000001355252715606761220130527946875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000006776263578033806100651389734375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000338813178901690305032569448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000001694065894508451525162847243384375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000084703294725422576257641389734375	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000000423516473627112881287069448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000002117582368135564406435347243384375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000010587911840677722032176736171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000005293955920338861016088389734375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000264697796016943050804419448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000132348898008471524022223511171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000066174449004235761201111389734375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000000330872245021178806055569448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000000001654361225105894027777847243384375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000008271806125529470138889734375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000000041359030627647350694448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000000000206795153138236753472243384375	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000000000103397576569118376736171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000000000051698788284559188368089375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000258493941422795941840448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000129246970711397970922234375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000000000646234853556989854611171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000000000323117426778394927305589375	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000000000001615587133891974636527946875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000000000000807793566945987318263969448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000004038967834729936591319847243384375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000002019483917364968295659736171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000001009741958682484147829868089375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000000000005048709793412420739149340446871875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000000000000025243548967062103695746702234375	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000000000000012621774483531051839788089375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000000063108872417655259198940448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000000031554436208827629599472234375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000000015777218104413814799868089375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000000000000078886090522069073999340448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000000003944304526103453699968089375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000000000000019721522630517268499840448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000000000000000098607613152586344999202234375	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000000000493038065762931724996011171875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000000000246519032881465862498005589375	100.00	100.00	100.00	100.00	0.00
AMEX 0.00000000000000000000000000000001232595164407329312490027946875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000000000061629758220366465624501389734375	100.00	100.00	100.00	100.00	0.00
AMEX 0.000000000000000000000000000000003081487911018323281225069448671875	100.00	100.00	100.00	100.00	0.00
AMEX 0.0000000000000000000000000000000015407439555091611640625347243384375	100.00	100.00	100.00	10	

NYSE

Thursday's 4 p.m. Close
Nationally priced, not reflecting late trade elsewhere.
The Associated Press.

12 Month High Low Bid Ask

12 Month High Low Bid Ask

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NASDAQ

Thursday's 4 p.m.
The 1,000 most-traded National Market securities in
terms of dollar value, updated twice a year.
The Associated Press.

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100

NYSE
Thursday's 4 p.m. Close
(Continued)

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100

12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
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12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100
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12 Month	High	Low	Stock	Div	Yld	PE	100s	High	Low	Stock	Div	Yld	PE	100s
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12	1.00	0.95	IBM	3.00	4.5	15	100	120	110	IBM	3.00	4.5	15	100

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Real Estate Crisis In Hong Kong Hits Cheung Kong

Compiled by Our Staff From Dispatches

HONG KONG — Cheung Kong (Holdings) Ltd., Hong Kong's largest developer, started investors on Thursday by reporting a 3.4 percent increase in profit for 1994, less than a quarter of what financial analysts had expected.

Cheung Kong, the flagship company of Li Ka-shing, was the latest blue-chip company to pin its profits on the decline in the territory's real estate market. On Wednesday, Wharf (Holdings) Ltd. reported 1994 profit of about half what analysts had predicted.

Cheung Kong said its net profit was 10.11 billion Hong Kong dollars (\$1.30 billion), up from 9.78 billion dollars in 1993. Earnings per share were 4.60 dollars, up from 4.45 dollars. Eleven percent of the profit came from stock dealings and bond interest, the company said.

Cheung Kong shares closed at 32.40 dollars, down 5.30 dollars. "The Hong Kong property market is still in a period of consolidation at the beginning of 1995, following the decline that started in the middle of last year," said Mr. Li. "The property market still lacks vigor, particularly in the sector of industrial buildings."

Mr. Li added that he preferred to see the 3.4 percent profit rise against the backdrop of a decade of spectacular growth for the group he founded in 1971 to compete with the British trading houses that then set the pace in Hong Kong.

Rising profits at Hutchison Whampoa Ltd., a diversified conglomerate in which the developer has a 44 percent stake, helped buoy Cheung Kong's earnings. Hutchison Whampoa posted profit growth of 27 percent to 8.02 billion dollars.

Cheung Kong said it would raise its full-year dividend to 1.10 dollars from 1 dollar. Analysts had forecast a dividend of 1.15 dollars.

"Selling units in 1995 will be the ultimate test for the marketing department of Cheung Kong," said Franklin Lam, a property analyst at Salomon Brothers Hong Kong.

With the results, Cheung Kong became the latest in a string of Hong Kong's big companies to undershoot shareholders' expectations for earnings growth. Many analysts are cutting 1995 earnings forecasts for many members of the benchmark Hang Seng index.

"We've seen some wild over-forecasting," said Alan Hutchison, deputy head of Hong Kong research at the brokerage Morgan Grenfell Asia Ltd. "People are downgrading earnings."

Mr. Li, known as "Superman" in the Hong Kong press because of his deal-making prowess, said residential property prices may be poised to rebound after tumbling by as much as a third since March 1994. Cheung Kong, which earlier this year had shunned government land, was ready to start bidding again, he said.

(AFP, Bloomberg)

Revving Up, Chinese Style Firm Abandons Munitions for Motorcycles

CHONGQING, China — The company started manufacturing weapons 120 years ago in Shanghai and fled to this city in central China in 1937 to escape the advance of Japan's invading armies.

Now, aided by technology and management from Honda Motor Co., Jialing Industrial Group has developed into China's largest producer of motorcycles, churning out 900,000 in 1994. Its latest ambition is to list its shares on a domestic stock market.

Jialing plans to produce one million motorcycles this year and to expand exports, which hit 23,000 units last year and reached more than 50 countries, despite what company executives say are attempts by Honda to slow its growth as an exporter.

Having set up in Shanghai in 1875 during the Qing dynasty, and then moved — along with over 400 other companies and factories — to this mountainous city before World War II broke out, the company's site next to the Jialing river hid it from the sights of Japanese bombers that pummeled Chongqing from 1938 to 1943. Jialing produced arms, first for the Nationalist government and later for the Communist one that succeeded it in 1949.

But in 1978, its world changed. "The government was cutting military expenditures, and orders for arms fell," said Zhao Zimu, deputy secretary of the Communist party for the company. "We had to make civilian products. But we had no capital, no equipment, no technology and no skilled workers."

The company considered many products, including washing machines and refrigerators, before deciding on motorcycles. National output then was small and demand looked promising as people began to switch from bicycles.

Jialing teamed up with a dozen local plants that made components and turned out 50,000 motorcycles in 1981. But it needed a foreign partner to improve its backward technology.

It signed its first contract with Honda in January 1982, leading to widespread cooperation and a joint-venture agreement in 1993 to produce engines at a new plant. Production

rose to 257,290 in 1985 but fell for the next five years before soaring to 590,000 in 1993. Jialing motorcycles are bought both by peasants, who use them to navigate China's rutted country lanes, and by city dwellers who use them to weave through traffic jams.

Mr. Zhao said that in five years the market would be saturated and that many of China's 118 motorcycle producers would start to disappear. Total motorcycle output in China was 5.2 million in 1994, up 45 percent from 1993. "We must keep instilling a sense of crisis in our workers. The competition is fierce."

Zhao Zimu, a Communist party official at Jialing Industrial Group.

million in 1994, up 45 percent from 1993. "We must keep instilling a sense of crisis in our workers," he said. "The competition is fierce."

Jialing's four biggest domestic competitors all have technical-cooperation agreements with Japanese makers, two with Suzuki Motor Co., one with Yamaha Motor Co., and one with Honda. Astronomical duty fees (120 percent) impede imports, although some analysts say that smuggled vehicles far outnumber legal ones.

Honda has four ventures with other Chinese motorcycle makers, which is a source of some friction at Jialing. "Honda's purpose is to limit our growth," Mr. Zhao said. "It fears we will grow too fast and challenge it with our lower labor costs in the export market."

But he was full of praise for Honda's technology, work ethic and management methods and said Jialing had much to learn from its Japanese partner. "We hope to continue our good cooperation with them," he said. "Each company has its own interests."

Jialing, which still makes weapons in small quantities, is now hoping to list its stock. It has already issued 50 million yuan (\$5.9 million) in shares to its workers but has yet to receive permission to list on one of China's two stock exchanges.

Stock Slide Ends Hopes For Profit At Big 4

Compiled by Our Staff From Dispatches

TOKYO — Acknowledging what the Nikkei 225 stock index's first crash below the 16,000 barrier in 2 years, on Wednesday, the four leading Japanese securities firms on Thursday revised their results forecasts to losses from profits for the year ending March 31.

Executives at the brokerage houses blamed the move on a decline in trading on Japanese stock markets. "The volume was a lot smaller than we originally expected," said Atsushi Saito, senior managing director at Nomura Securities Co. "So commissions fell below expectations."

The Nikkei stayed below the 16,000 level on Thursday, closing at 15,813.40, down 91.50 points.

Nomura said it expected a pretax loss of 35 billion yen (\$393 million), reversing its earlier estimate of a 70 billion yen profit. Nikko Securities Co. said it expected a pretax loss of 26 billion yen, after an earlier prediction of a 35 billion yen profit.

"The slow pace of the economic recovery and the strength of the yen have kept the market from reviving," said Masao Yuki, a Nikkei vice president.

Yamaichi Securities Co., which had forecast a 14 billion yen pretax profit, said it now anticipated a loss of 65 billion yen, while Daiwa Securities Co. reversed its estimate of a 42 billion yen pretax profit to that of a 39 billion yen loss.

"We know we need to become more efficient," said Hiromitsu Sogame, a vice president at Daiwa.

Shares in Nikko, Daiwa and Yamaichi all rose on the downgrades, while Nomura's shares were unchanged.

Slow economic recovery has hurt both Japanese businesses and individuals. Just as business profits have not grown as expected, individuals have seen a decline in the income they might have invested in stocks. A strong yen has made investing in Japanese companies less attractive because export revenue declines as the yen rises.

The four brokerage houses vowed to cut costs associated with wages, rent and the computer systems they used to keep track of the markets, though none mentioned possible layoffs. But some analysts said such an approach would not be enough to restore the brokerages to profitability.

"It is very clear that if this kind of trading volume persists, we are going to see some very severe cost cutting," said Brian Waterhouse, an analyst at James Capel & Co. (AFP, Bloomberg)

Investor's Asia				
Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong Hang Seng	10000	8,467.67	8,508.11	-0.49
Singapore Straits Times	3500	2,078.55	2,081.04	-0.12
Sydney All Ordinaries	2000	1,890.90	1,892.40	-0.08
Tokyo Nikkei 225	16000	15,813.40	15,904.90	-0.58
Kuala Lumpur Composite	1000	957.05	959.20	-0.22
Bangkok SET	1000	1,208.13	1,210.13	-0.17
Seoul Composite Index	400	947.27	941.77	+0.58
Taipei Stock Market Index	6000	6,441.85	6,479.01	-0.57
Manila PSE	1000	2,275.32	2,294.04	-0.82
Jakarta Composite Index	1000	426.25	425.92	+0.08
Wellington NZSE-40	1000	1,937.44	1,950.44	-0.67
Bombay Sensitive Index	1000	3,293.77	3,367.65	-2.19

Sources: Reuters, AFP International Herald Tribune

Very briefly:

• Sri Lanka Telecom's privatization will take place toward the end of this year, the country's privatization commission said. The commission said five other state ventures would be privatized first. Analysts said the decision showed that the government elected last year was interested in continuing the previous government's open-market policies.

• Mitsubishi Heavy Industries Ltd. estimated that its parent company net profit would total 59 billion yen (\$662.55 million) in the year ending on March 31, down from 73.03 billion yen for the previous year. A spokesman said the drop was due to the extraordinary losses it was likely to post as a result of the Kobe earthquake and the rise of the yen. The impact of the earthquake will be partly mitigated by a tax arrangement designed to help companies affected by natural disasters.

• Nokia Corp. said it would set up two joint ventures in China: one based in Beijing will make portable telephones and another based in Guangzhou that will produce portable phone components.

• China's deputy minister of finance, Zhang Youcai, announced a nine-month drive to determine the asset value of state enterprises and curb cheap sell-offs. The national investigation will be an "essential step" in strengthening the management of property owned by the state, he said.

• China's Justice Ministry has approved the applications of 16 new foreign law firms to open offices in the country, the official China Daily reported. The current pool includes 41 firms.

• Chinese evaded 20.4 billion yuan in taxes in 1994, up 26.2 percent from 1993, the Xinhua news agency said. Unpaid industrial and commercial taxes accounted for 61.6 percent of the total.

• Airbus Industrie China, a subsidiary of the European consortium Airbus Industrie, hopes to sell 20 airliners to China annually over the next five years, officials said. Airbus, which is discussing the sale of A-320s to Sichuan Airlines, has received orders for 35 aircraft from China since 1985.

Reuters, AFP, AP

Thailand Tightens Bid Laws

Compiled by Our Staff From Dispatches

BANGKOK — Thailand's securities and exchange commission said Thursday it would introduce new laws in an attempt to force buyers of large stakes in listed companies to follow through after they begin takeover bids.

Tisuda Thavaramara, an SEC division chief, said the new rules would take effect on April 3 and would promote transparency.

The SEC has defined four levels in the building up of a shareholding at which buyers would be required to make a public offer for 100 percent of the target company.

These include when a stake reaches 25 percent and when buyers who already own between 25 and 50 percent buy an additional 5 percent stake within one year.

Also, after filing a tender application, buyers will be required to proceed with share buying from the public within three days instead of 30 days, as in the past, Miss Thavaramara said.

Separately, the chairman of Thailand's Association of Securities Companies said that a 20 billion baht (\$809 million) investment fund designed to prop up Thailand's slumping stock market would start trading next week. (Reuters, Bloomberg)

Rift Broadens Between BAT and ITC

Compiled by Our Staff From Dispatches

NEW DELHI — A dispute between the head of ITC Ltd. and BAT Industries PLC deepened on Thursday with a charge that BAT was engineering a cheap takeover and a threat by BAT to block development until the ITC chief resigns.

Krishnan Lal Chugh, chairman of the Indian tobacco and hotels company, also said he had the backing of state-run financial institutions, who hold the largest block of shares.

On Wednesday, BAT said it had lost confidence in Mr. Chugh, and it asked him to resign.

The state-run institutions hold 37 percent and BAT holds 31.6 percent in ITC, one of India's five biggest corporations. Mr. Chugh charged that BAT was trying to buy ITC shares and global depositary receipts to outvote the institutions.

"A fall in share price will help BAT buy ITC shares cheap," Mr. Chugh said. ITC shares were quoted 12.5 rupees (40 cents) lower, at 267.5 rupees.

Mr. Chugh said he met the chairman of Unit Trust of India, the country's biggest mutual fund, and the Industrial Development Bank of India on Wednesday, and said they both supported him.

Mr. Chugh said the pressure on him to resign amounted to a disguised takeover bid. "I have not resigned, and I am not resigning," he said a day after Norman Davis, a BAT nominee on the ITC board, had asked Mr. Chugh to quit, citing financial irregularities.

"Allegations of financial irregularities have never been discussed with me or the board," Mr. Chugh said. "It is a diversion of taking over a company. You throw out the chairman by raising false allegations, and institute your own board," said Mr. Chugh, who has made proposals to enter the power industry.

BAT had earlier tried to raise its equity in ITC to 51 percent, a move reportedly rejected by Mr. Chugh who has set sights on making it India's first multinational and on a Fortune 500 listing.

But BAT said it would vote against a diversification resolution at an extraordinary general meeting of ITC in Calcutta on Friday unless Mr. Chugh resigned.

"BAT wishes the board of ITC to appoint a new chief executive as soon as possible," the chief executive of BAT, Martin Broughton, said.

"We have reluctantly come to a decision

that ITC should not undertake new businesses, while K.L. Chugh remains chairman of ITC," Mr. Broughton said. "This is not a decision we have taken lightly."

"BAT still supports the principle of ITC's entry into the power sector, but cannot agree to this going ahead while the company remains under Mr. Chugh's leadership," the British company said. "Once Mr. Chugh has resigned, BAT will vote in favor of the proposals."

BAT has also said it would like a chairman from ITC's existing management ranks, to prove that it did not want an "expatriate chairman."

Mr. Chugh said BAT could make a public offer to buy up a part of the 30 percent of the company's stock in public hands. "India is an open country. What is in the law is in available to everybody," he said.

BAT has been an investor in ITC since 1910 and owned 100 percent of it until the 1960s, after which successive Indian governments forced it to gradually reduce its stake. Its shareholding contributed 225 million (\$39.5 million) to BAT's pretax profit of \$1.81 billion in 1994.

(Reuters, AFP, Bloomberg)

Bombay Reopens in Bearish Mood

Compiled by Our Staff From Dispatches

BOMBAY — Share prices dropped sharply when the Bombay Stock Exchange reopened on Thursday after a three-day suspension caused by a default.

The index of 30 blue-chip companies on the exchange, the biggest stock market in India, fell 73.88 points, to 3,293.77. The more comprehensive 100-share National Index dropped 27.24 points, to 1,614.11.

Stock prices were also pressured by a management dispute

at the ITC Ltd., the tobacco company that is part-owned by BAT Industries PLC, traders said. BAT has asked the ITC chairman, Krishnan Lal Chugh, to resign, but he has refused.

The Bombay exchange had been closed since Monday after a broker on Friday failed to pay 200 million rupees (\$6.4 million) on a deal involving shares of M.S. Shoes East Ltd. He had undertaken to buy the stock in an alleged plot to rig a securities issue by the company.

The broker, R.S. Jhaveri, was

declared to be in default on Saturday. The board resumed business on Thursday after 69 brokers, who had sold the shares of the firm, M.S. Shoes East, to Mr. Jhaveri, were ordered to repurchase them in a settlement worked out by the exchange.

The M.S. Shoes East public issue, worth 4.28 billion rupees, failed after the Securities and Exchange Board of India had accused it of publishing misleading information to improve its corporate image.

(AFP, Bloomberg, Reuters)

In this Saturday's

THE
REPORT

Where Next on the Privatization trail?

Africa, Eastern Europe,
Latin American
privatization programs.

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

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AVIS AUX ACTIONNAIRES

Messieurs les actionnaires sont convoqués par le présent avis à

L'ASSEMBLEE GENERALE ORDINAIRE DES ACTIONNAIRES

qui se tiendra au siège social à Luxembourg le 31 Mars 1995 à 15 heures, avec l'ordre du jour suivant:

ORDRE DU JOUR

- Rapport de gestion du Conseil d'Administration;
- Rapport du Réviseur d'Entreprises;
- Adoption des comptes de l'exercice au 31 décembre 1994;
- Affectation du résultat de l'exercice;
- Décharge aux administrateurs et au Réviseur d'Entreprises;
- Nomination des organes sociaux;
- Réélection des administrateurs sortants;
- Examen des nouvelles candidatures proposées par le Conseil d'Administration;
- Réélection du Réviseur d'Entreprises;
- Divers.

Les résolutions des actionnaires lors de l'Assemblée Générale Ordinaire seront votées à une majorité simple des actionnaires présents et votants.

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Appears on Page 4

REAL ESTATE MARKETPLACE

Appears on Page 5

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MAY THE SACRED HEART OF JESUS be adored, glorified, loved and served throughout the world, now and forever. Sacred Heart of Jesus, pray for us. Saint John the Evangelist of the Holy Spirit, pray for us. Amen B.

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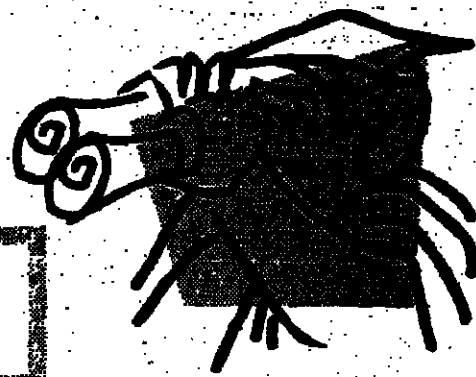
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MISSION: EDUCATING THE NEW LEADERS

Business schools in Belgium and the Netherlands are teaching students to lead in a cross-cultural environment.

The trend toward globalization has created an increasing demand for managers who understand the challenges and opportunities of doing business across national boundaries.

Conducting just this kind of cross-border business has been a specialty of the Low Countries for centuries. The linguistic flair and international orientation of the Dutch and Belgians have made their major cities hubs of multinational activity.

As traditional ways of doing business merge, realign and disappear, business schools in the Low Countries are adapting their international MBA programs to

the educational needs of linguistic and cultural polyglots, global villagers with an understanding of the interdependence of the world's business economies.

No borders With campuses in Antwerp, Brussels, The Hague and 13 other cities, the European University has long been accustomed to teaching students to think beyond their own national borders. Founded in Belgium in 1973, it offers

students working toward the MBA degree a mixture of European and American teaching methods and educational philosophies.

The curriculum is business-driven and based on real-life case studies, and aims to educate the future managers of multinational corporations as well as the leaders of small and medium-sized companies. The university's main objective is to enable students to thrive in the new cultural and organizational environments of the 21st century.

a broad-based management education with a strong focus on corporate strategy and international competition.

The college's Master of Arts in International Relations provides a thorough understanding of the world's economic and political systems.

Change is the norm Located on the 140-acre estate of a 13th-century castle near Utrecht in the Netherlands, Nijmegen University's curriculum is based on the first principle of management: change is the norm. Encouraging students to practice continuous learning and development, Nijmegen focuses on post-graduate and executive education by offering degree programs for the International MBA, the Executive MBA, and the MSc in General Management and Accountancy.

"Nijmegen treats learning as an ongoing process for individuals and organizations," says President Neelie Kroes. "It creates a climate in which people can come to perceive change as their natural habitat and learn to discover the constant factors within this dynamic process."

Interactive approach The Netherlands Institute for MBA Studies (NIMBAS) is unique in its combination of international management education with environmental policy. Together with its academic partner, the University of Bradford Management Centre in Britain, NIMBAS offers innovative programs for MBA and MA degrees in International Marketing.

Designed to develop the conceptual and applied knowledge necessary in today's increasingly complex business environment, the institute's curriculum pro-



High-flyers from the Low Countries: Linguistic flair and an international outlook are among their advantages.

vides a comprehensive understanding of international marketing principles based on an interactive approach to actual business situations.

NIMBAS has four teaching locations in Europe: Utrecht, the Netherlands; the University of Bradford Management Centre in Britain; Rouen, France; and Lippstadt, Germany.

Dealing with diversity The Amsterdam School of Business offers a Master of International Management program in conjunction with the Plymouth Business School in Britain. This intensive one-year course of study focuses on cultivating an ability to deal effectively with the cultural diversity of the international business

world. The program places a strong emphasis on putting business theory into practice through research projects addressing strategic issues in international trade.

For executives at the beginning or middle stages of their careers, the Amsterdam Institute of Finance offers intensive one- to four-week courses covering such topics as advanced corporate finance and portfolio management.

Keeping an open mind Erasmus University's Rotterdam School of Management is noted around the world for its integrated curriculum, which aims to create cross-functional links between diverse areas of management.

Since management challenges are not always clearly defined, however, the university stresses what it calls "reflective professionalism": inculcating the ability to keep an open mind to provocative new perspectives and unconventional solutions.

The objective of Erasmus University's international MBA program is to develop top international managers with a solid analytical competence across a broad spectrum of functional disciplines.

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James Geary

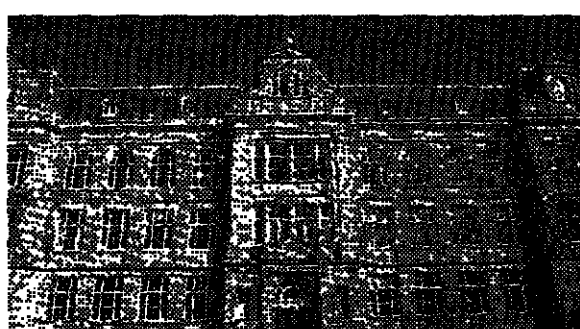
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With a network encompassing some 300 member organizations and spanning more than 40 countries, the EFMD serves as a focal point for the dissemination of information on excellence, creativity and innovation in human resource development. EFMD members are culled from the world's top corporations, business schools and executive development

centers. Says Thomas Sattelberger, an EFMD member and head of human resource development at Lufthansa: "The EFMD is a unique forum for networking with a wide spectrum of management practitioners and management education providers."

Members use this network - and the EFMD Annual General meeting - to share innovative ideas and practices in management education, training and development. The goal is to develop a distinctly European approach to management education. When they are not

breaking new conceptual ground, EFMD members take a hands-on approach to problem-solving. According to Roy Williams, an EFMD member and head of group learning and development at British Petroleum Plc., "We work on real issues, not theoretical. We talk frankly, face to face, with people who actually do management and human resource development at the leading edge."

The EFMD produces the quarterly journal *Forum* and a slew of other helpful publications like the

EFMD Guide to European Business Schools and Management Centers, the Guide to European Master's Degrees in Management, and the Catalogue of Worldwide Innovations in Management Development.

The organization also advocates a stronger partnership between educational institutions and management development specialists in the public and private sectors. As George Bain, principal of the London Business School and vice president of the EFMD, puts it: "EFMD members see quality in business schools as the number-one priority for the next decade." J.G.

"INTERNATIONAL EDUCATION IN BELGIUM AND THE NETHERLANDS" was produced in its entirety by the Advertising Department of the International Herald Tribune. WRITERS: James Geary and Paul Reinshagen are based in Amsterdam. PROGRAM DIRECTOR: Bill Mahler. Tomorrow's section is on "Business Education in Switzerland."

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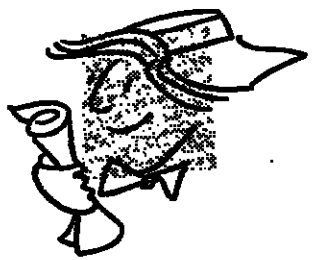
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HIGH GRADES FOR LOWLANDS

A survey of top high schools offering the International Baccalaureate degree.

As business becomes increasingly global in scope, businesspeople — and their families — must of necessity become increasingly mobile. In order to attract and retain foreign corporations and organizations, European cities must offer high-quality international elementary and secondary school education as an essential part of their infrastructure.

Demanding program
The International Baccalaureate (IB) degree, widely



considered to be the most enriching and demanding high school program in the world, was created to provide some uniformity to international secondary education. In addition to its academic requirements, the IB involves physical and artistic activities and community service.

Given the importance of foreign companies and international organizations to their economies, Belgium and the Netherlands have made the provision of high-quality English-language secondary school education a top priority.

As the international focal point of the European Union, Brussels is perhaps Europe's most culturally

and linguistically diverse city. The International School of Brussels (ISB) was established to provide an English-based American education to serve the needs of the corporate and diplomatic communities.

The school currently hosts students of some 55 different nationalities from nursery level through the 13th grade. The secondary school program offers the IB degree as well as the opportunity to work toward advanced placement exams.

Says ISB Director Richard P. Hall: "Each student's course of study is determined individually in order to prepare [him or her] to meet or exceed the standards required by universities around the world."

All faiths welcome
St. John's International School, also in Brussels, prepares students for the American high school diploma, the British GCE O-level examinations, advanced placement courses and the IB.

Founded in 1964 by the Faithful Companions of Jesus, the school accepts students of all faiths from nursery level through the 13th grade. St. John's has a well-developed extracurricular program that includes sports, music, drama and art. The campus houses two libraries, six science laboratories, three computer labs, two gymnasiums, three music rooms and a photography lab.

The British School of Brussels provides a British-style education in a Euro-

pean context to over 1,000 students between the ages of three and 18 years. The curriculum prepares students for the GCSE and A-level examinations and is supported by a well-resourced careers department.

In addition to a thriving extracurricular program, the British School attaches special importance to preparing students to live and work in an increasingly technology-oriented society. Computer literacy is encouraged throughout the curriculum.

U.S.-Japanese education
In the Netherlands, Rotterdam is the site of one of the most innovative projects in the field of multinational education. The American International School of Rotterdam and the Japanese School of Rotterdam have joined together to form the International Education Center (IEC), the first joint American-Japanese school project in Europe.

At the IEC, students from over 30 countries will take part in the fusion of progressive American educational methods with staunchly traditional Japanese mores. While the Japanese and American traditions will maintain their own cultural identities in literature, art and music, the curriculum is designed to show that the blending of different educational systems is inevitable as the "global village" becomes a reality.

East meets West
According to Robert L. Werner, director of the American International



European cities are offering high-quality international elementary and secondary school education in order to attract and retain foreign corporations and organizations.

School: "This meeting of East and West is very exciting. It makes sense to combine our resources and talents so that we are international in the real sense of the word."

The International School of The Hague, serving students between the ages of 11 and 19 years, aims to facilitate geographic and cultural

mobility and to promote cross-border understanding through shared academic experiences.

The school accomplishes this through its comprehensive IB program, which blends the specialization required in some national systems with the breadth preferred in others.

Founded some 30 years

ago, the International School of Amsterdam offers a curriculum that transcends national barriers.

Students between the ages of 11 and 16 years follow the IB Middle Years program in preparation for the IB diploma between the ages of 16 and 19.

In November, the school will be gearing up for a

move to a new purpose-built campus designed to accommodate 700 students. Says Margaret Armstrong-Law, the school's director: "Our aim is education for interna-

tional understanding. Here, you can see children hand-in-hand when their countries are at war. It's the way the world ought to be, in miniature." J.G.

WHERE THE EXCHANGE OF STUDENTS IS PUBLIC PROPERTY

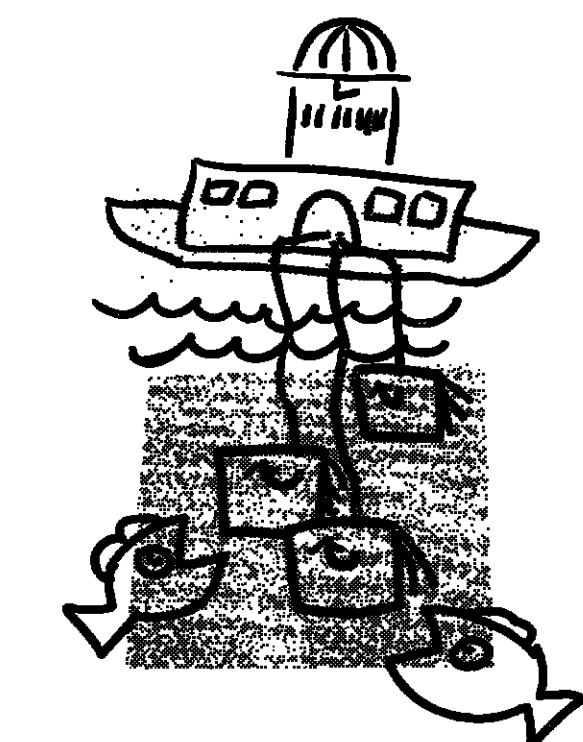
There is a long tradition of student exchanges between Dutch and foreign universities, and European exchange programs have increased in recent years.

For more than a decade, foreign students have been coming to the Technical University Delft to take courses that are not offered in their own countries. Disciplines such as Aviation and Space Technology, Mining Engineering and Petroleum Extraction, Civil Engineering and Electrotechnology (mainly telecommunications and microelectronics), and Building Technology attract great interest from foreigners.

The influx of students began about 10 years ago with the introduction of the European programs Erasmus and Commet, whose respective goals are to encourage the exchange of students among various European universities and to organize work experience for students in other European countries.

Both programs will soon alter in both name and form. In September 1996, Erasmus will become Socrates, and Commet will become Leonardo in December 1995. Socrates will encompass the initial aim of Erasmus — the exchange of students. The goal set for Leonardo is to expand local and regional university contacts with surrounding industry into transnational contacts with universities and businesses.

At present, the Technical University Delft sends about 200 students to other European universities and receives about 200 students under the Erasmus program. TU Delft has the largest number of foreign university students in the Netherlands.



According to Marietta Spiekerman and Boy Hendriksen of TU Delft's department of International Relations: "Apart from students in the latter phase of their studies who come to Delft via the European exchange programs, there are many more who arrive via other routes to take full degree courses, to graduate, hoping to gain a Delft engineering degree, to conduct research, to take up PhD studies or follow a postgraduate course."

The exchange programs have become so popular that TU Delft has started to document the courses most in demand among foreign students with the goal of inter-

nationalizing the course descriptions and making them available via Internet, so that prospective students anywhere in the world, together with their teachers, can check the requirements necessary to follow the courses.

Many universities are actively canvassing foreign students, and almost all of them now have an international office to deal with their housing and special problems.

Extra effort is required from students coming to the Netherlands as lectures are given in Dutch, although there is a greater tendency to use English in courses being taken by many foreign students.

The school has even developed a special method to teach Dutch to foreign students that within a few months allows motivated students with good study skills to develop a command of the language sufficient to follow lectures in Dutch.

Housing the influx of foreign students, researchers and teachers is always a challenge for a university. The Vrije Universiteit (Free University) of Amsterdam has come up with a unique solution. In the early 1980s, staff members of the VU Amsterdam gave pre-science courses to university entrance students in developing countries.

When these students came to Amsterdam to further their education, the university set up Het Hospitium to house them. Het Hospitium has since grown to more than 400 rooms and apartments that house more than 600 non-Dutch residents for both short- and long-term stays.

Professors and their families, students and, in the summer holidays, those attending symposia, congresses or summer courses being held on the campus all take advantage of the housing. Residents come from all over the world.

U.S. colleges, including Calvin College, Trinity Col-

lege and Dordt College, send fixed numbers of students each year. Het Hospitium also offers, in some cases, accommodation to students from the University of Amsterdam (the two universities offer a number of joint courses) and to students attending the two Amsterdam Polytechnics.

Dutch universities are not going to miss out on attracting foreign students. European exchange programs offer the basis, but much more is required, such as a well-organized reception of students, language instruction and a clear presentation of what is being offered.

Paul Reinshagen

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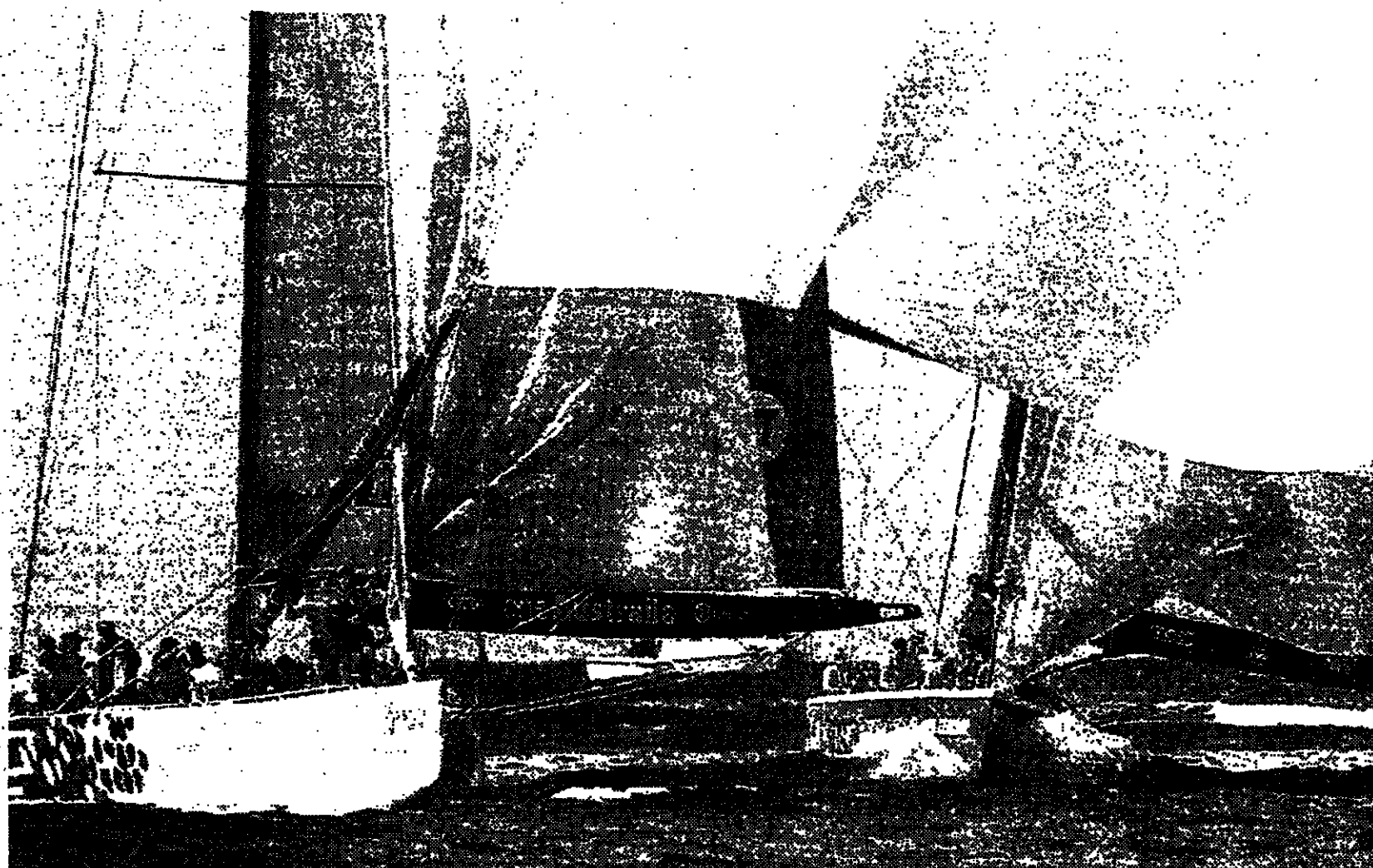
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See on Page 7



Black Magic 1 (right), closing at the leeward mark, forced on oneAustralia to tack away for clear air on the fifth leg and won the race by 39 seconds.

It's a Great Day for Sailing For America's Cup Leaders

By Angus Phillips
Washington Post Service

SAN DIEGO — The measure of greatness in a racing sailboat is easy to test. A poor boat, once behind, can get back in front only with luck. A good boat can sometimes come from behind to beat strong competition. A great boat will almost certainly come from behind and win, again and again.

Two of the America's Cup boats gave hints Wednesday of greatness by rolling back past strong rivals to win tough, exciting, come-from-behind races in conditions where luck was not a big factor.

If what Young America did to Stars & Stripes on the defender course and what Team New Zealand did to oneAustralia on the challenger course are fair representations, those two boats will be seen together in the 29th Cup match in May.

In bright, moderately breezy weather after a wild storm the day before, Team New Zealand forged an abysmal start and found itself 1 minute, 4 seconds behind its toughest foe, oneAustralia, at the first turning mark. But the yacht came charging back at the lime-green boat from Melbourne and finally flicked away its rival on the next-to-last leg.

Team New Zealand's all-day assault looked concocted, as if the Kiwis were testing their ability to rally. The skipper, Russell Coutts, had a terrible, slow start, then on two occasions stepped away from close action when it looked as if he was about to overtake.

But finally, on the last upwind leg, he put his black boat, undefeated on the water in 27 races, alongside oneAustralia in clear air.

"He's going up the elevator," said Peter Montgomery, commentator on TV New Zealand. As if he had hit a magic switch, Coutts then passed the Australian entry and forced the green boat to tack away. A leg and a half later, New Zealand was walking to a 39-second win.

On the neighboring defender course, Kevin Mahaney's Young America had wound up on the wrong side of a wind shift on the first leg, rounded the first mark 45 seconds behind Dennis Conner's Stars & Stripes, but came back to take the lead two legs later, then slowly ground down Conner's team and won by 28 seconds.

Both races were too tight to call until near the end, and the spectacle of nip-and-tuck battles between big boats separated by only 10 or 15 seconds on the glorious, sun-splashed and white-capped Pacific had spectator craft buzzing back and forth between the adjoining race courses.

race. For Stars & Stripes, it was tough. How do you cover a boat that's going faster?

Mahaney's sleek Cup boat with the mermaid painted on the side finally outfoxed Conner's at the third turning mark, slid ahead by seven seconds and then hung on to lead around the fourth mark by only 12.

Meanwhile, Team New Zealand was rounding the third mark just 21 seconds behind oneAustralia, cutting the edge to 10 seconds as they bore down nose to tail at the fourth mark and finally squeaking by on the fifth and next-to-last leg.

"We had a little more pace and we just finally got around them," Coutts said. "I think they were as surprised as we were."

That is doubtful. Sailors know great boats when they see them, and they know the great-boat test: to come from behind and win, again and again.

In the other challenger race, NZL-39 handed Nippon its third straight loss, by 57 seconds, to take sole possession of second place in the Louis Vuitton Cup.

Team New Zealand leads the Vuitton Cup race with three points, followed by NZL-39 with two and oneAustralia one and Nippon zero.

Young America is in first place in the Citizen Cup standings with four points, while Stars & Stripes remained tied with Mighty Mary with one point each.

Seles Turns Down King, Won't Play Next Matches For U.S. Fed Cup Team

Compiled by Our Staff From Dispatches

KEY BISCAYNE, Florida — Monica Seles has turned down a request to play for the U.S. Federation Cup team in its matches next month against Austria, the team's captain, Billie Jean King, said Thursday.

The U.S. team will include Martina Navratilova, who retired from the WTA tour last year, Lindsay Davenport, Gigi Fernandez and Mary Joe Fernandez.

"I talked to Monica last night," King said. "One of her dreams is to play Fed Cup, and she still loves tennis very much."

"She is practicing off and on. If she becomes more stable in her feelings about playing, I think she'll be back. I think deep down she probably does want to play again."

King said she had been wanting to talk with Seles ever since the young star left the WTA Tour after being stabbed in Germany nearly two years ago.

"It was a long process to get to her," added King, who declined to answer further questions about Seles.

Speculation had been building that the 21-year-old Seles would return to tennis this spring. Born in Yugoslavia, she now lives in Sarasota and became an American citizen a year ago, making her eligible for the U.S. Fed Cup and Olympic teams.

This year's Fed Cup format will be similar to the men's Davis Cup, with five matches per tie, but over two days instead of three. Other first-round matches: Bulgaria at Spain, Japan at Germany, and France at South Africa.

King had said earlier that she also planned to get in touch with Jennifer Capriati, the 1992 Olympic gold medalist, as part of her recruitment efforts.

Last year, Capriati agreed to be a Fed Cup alternate, but to be an eligible Olympian she must participate in the Fed Cup in 1995 or 1996. Seles must be available both years to qualify as an Olympian.

"I'll name her to the team if she wants to be on it, and Jennifer, too," said King, who already had a list of 10 available players for 1995 but has the discretion to expand or reduce that list.

Even if the U.S. team fails to pass the opening round of this three-part competition, it would play a consolation playoff round in July, and Seles could meet her eligibility requirement at that time. King said she also hoped to include 14-year-old Venus Williams, who to date has played in just one professional event, on the Fed Cup farm team.

At the retrieval of the man who stabbed Seles, four witnesses testified Thursday that he appeared ready to strike again before he was overwhelmed.

The issue is crucial as the court in Hamburg tries to determine whether Günter Parche intended to kill Seles or to only hurt her, as he claims.

Parche, 40, was convicted of causing grievous bodily harm in the first trial in October 1993. But because of his "highly abnormal personality" and diminished responsibility, he was given a suspended two-year sentence and went free.

Lawyers for Seles, who is a co-plaintiff, and the prosecution appealed and the case was sent to a higher court. In a letter read to the court on the opening day of the retrial, Seles asked for "proper justice" and a stiffer sentence for Parche for "destroying my life."

A verdict is expected April 3. (AP, NYT)

Tyson Comes Out Saturday, and That Seems Certain

The Associated Press
INDIANAPOLIS — Is he going straight home, or stopping first for a prayer?

Mike Tyson is being released from prison on Saturday, but not even the time of that much belated event is certain.

Friends and boxing associates say they believe the former heavyweight champion will head straight for his home in Ohio. But Muhammad Siddiq, his spiritual adviser, says Tyson wants to recite Islamic prayers before leaving the Indiana Youth Center, where he has

been serving a six-year sentence for rape since 1992.

Siddiq said he was planning an outdoor Islamic prayer service near the prison with several high-profile Muslims immediately after Tyson is released.

Tyson's adviser also said he was expecting the boxing great Muhammad Ali and W. D. Mohammed, son of Elijah Muhammad, who led the Nation of Islam for 40 years until his death in 1975, plus the Pittsburgh Steelers' former star Mel Blount and the former boxing champion Matthew Saad Mu-

hammad, Eddie Mustafa Muhammad and Qawi Dwight Braxton.

Siddiq said Monday that Tyson's first stop after his release would be the nearby mosque of the Islamic Society of North America. But those plans had been scuttled, Siddiq said Wednesday, and new plans were being made, which he would announce Thursday.

He said one option would be to hold the prayer at a cornfield near the prison.

The Reverend Charles Williams, president of the Indiana Black Expo, said that after Tyson is released, he will be driven to Indianapolis International Airport and will fly home to Ohio.

"He's going to get in a car, get on a plane and go home," Williams said. "At this point, he's going home without any stops."

Phil Slavens, assistant superintendent of the Indiana Youth Center, said Tyson would be released between 6 A.M. and 8 A.M., and that the prison was trying to keep the release as routine as possible.

But that is unlikely. An estimated 100 to 150 members of the media are expected. Reporters from across the country and from Japan, Italy, France, Germany and England have sought credentials, a prison spokeswoman said.

Slavens said that no matter how many people show up, only a handful will be allowed to enter the prison and greet Tyson.

"There may be a whole train of cars, but only four can come in," he said.

The Comeback? It Depends on 'Where His Head Is'

By Dave Anderson
New York Times Service

CATSKILL, New York — The old gym above the police station in this Hudson Valley town is where Mike Tyson learned to box, where he studied under Cus D'Amato, where he trained under Kevin Rooney, where yellowed newspaper clippings filled the walls with his ascent to the world heavyweight title.

And if Tyson were to spin Don King and return to Catskill after his prison release on Saturday, Kevin Rooney would be waiting.

"If he walked in, I'd talk to him first to see where his head was at," Rooney said. "I think I could sense if he really wanted it. Fighters are notorious liars. Not liars liars, but they're always trying to con you. If he was trying to con me, I'd sense it. Cus had a great saying, 'No matter what a person says, what they do in the end is what they meant to do all along.'"

Many prisons have boxing rings and equipment, but the Indiana Youth Center doesn't.

"If he really wanted it again," Rooney said, "I wouldn't give him time off. He's had time off. Three years off. I'd put him on the floor, doing his exercises, punching the bags. If he did what I said, then I'd give him four, five weeks of heavy sparring. I'd look for his reflexes. I'd want to see what he remembered about the way he fought when he was with me."

They were together when Tyson unified the heavyweight title in 1987, but after Tyson knocked out Michael Spinks in 90 seconds in 1988, Rooney was out. King installed Jay Bright and Aaron Snowell as trainers.

"Mike lost that connection to Cus," Rooney said. "When he fought Frank Bruno, he looked terrible. He got lucky with Truth Williams, then Buster Douglas gave him the beating of his life. Henry Tillman and Alex Stewart were nothing anyway, then he had two wars with Razor Ruddock. Razor Ruddock!"

Tyson was scheduled to challenge Evander Holyfield for the title in 1991 but a damaged rib postponed that bout. On March 24, 1992, he went to jail.

"Where's his mind been for three years? Nobody knows," Rooney said. "Everybody who says they've spoken to him, they don't know either. They'll know only by his actions. But if he wanted to become what he once became, after four or five weeks of heavy sparring, I'd tell him, 'This is who I think you can beat now.'"

For all of Riddick Bowe's shouting, George Foreman would be Tyson's bonanza opponent. Foreman has the title and the marquee. Bowe has neither.

"Bowe's nothin'," Rooney said. "I think Mike would go through Bowe. I think Mike would go through Foreman, too. I'd probably get a couple of stiffos as tuneup fights for Mike, some guys in the top 20. There's a lot of stiffos in the top 20. But I wouldn't be afraid for him to fight Foreman the first fight."

Boxing financiers have suggested that a Foreman-Tyson match would guarantee each gladiator at least \$25 million.

"If he fought Foreman first," Rooney said, "he could have a couple tough tuneup fights in the gym. The way the heavyweight division is right now, if we spent a little time together and I could get him back on track, I wouldn't be afraid of him fighting anybody."

According to King, Tyson's managers will be John Horne and Rory Holloway, two of the promoter's puppets.

ONE KNOWS LESS than the other," Rooney said. "They're the worst kind of managers because they know nothing. They're there because King put 'em there after he stole Mike because we beat all of King's fighters. The No. 1 culprit was Mike because he let himself be led by King, and the No. 2 culprit was King who led Mike down the road."

King enticed Tyson after the death of Jimmy Jacobs, who had been Tyson's co-manager with another D'Amato disciple, Bill Cayton.

"Mike went from the best, and when I say 'the best' I mean Cus, to the worst," Rooney said, meaning King. "Mike was going to be a testament to Cus because he was going to beat Rocky Marciano's record of 48-0. I had planted the seed for him to be 100-0. Mike liked that because he knew the old-time fighters had 100 fights, sometime 200."

Mike Tyson, whose record is 41-1 with 36 knockouts, was 35-0 with 31 knockouts before his split with Kevin Rooney.

"I'd like the opportunity to get him back to where he was supposed to be," the 38-year-old trainer said. "I'd be part of it, but it would be Cus D'Amato's trophy."

CROSSWORD

ACROSS

- 1 BBC competitor
- 4 Spots
- 8 Furry swimmers
- 14 Curtain
- 16 Business group
- 17 Depressions
- 18 Emergency processing
- 19 Antipersonnel's target
- 20 Best of all possible worlds
- 21 This may have come first
- 24 K.G.B. predecessor
- 26 L.L. clock setting
- 28 Like some juices
- 29 Bravo, Charlie, ...
- 31 Like a bump on
- 32 Boss's last words
- 37 Gut-like birds
- 38 Italian artist
- 40 Notched
- 41 Humankind
- 44 Frame part
- 45 Brian Boru's land
- 46 Makes hard to read
- 48 Noun after a verb: Abbr.
- 51 Without a clue
- 53 Factory second: Abbr.
- 54 Crochery folk
- 56 Took up residence
- 59 March Gras mask
- 61 Hunter
- 64 Religious title
- 65 Improvised, in music
- 66 Educational org.
- 67 Ran into

DOWN

- 1 You can believe it
- 2 Warm up
- 3 Field mouse
- 4 "Sophie's Choice" role
- 5 Flippant fellow
- 6 Iowa State's home
- 7 Surface for painting
- 9 Eightfold
- 10 Mollie hypocrite
- 11 Troop encampment
- 12 First name in TV talk
- 13 Sound between Skye and Scotland
- 15 1973 news topic
- 22 Broadway terminus
- 23 File subject
- 25 She was Sylvia in Broadway's "The Women"
- 27 The rounds
- 28 1950 Festies hit
- 30 Popular snicker
- 32 Coffee container
- 34 It may have broad shoulders
- 35 Sallinger ght
- 36 Five-time Presidential candidate
- 38 Dangerous deity
- 42 Supply
- 43 Mewls
- 47 Acknowledge
- 48 Chicago's first mayor William
- 49 Fuzzy remedy
- 50 Family-size
- 52 On both sides: Prefix
- 53 Easy to take
- 57 "Straight the rocks?"
- 58 Detail
- 59 Airplane part
- 62 Alphabet snippet

Across

14 CURTAIN

24 K.G.B. PREDECESSOR

26 L.L. CLOCK SETTING

28 LIKE SOME JUICES

29 BRAVO, CHARLIE, ...

31 LIKE A BUMP ON

32 BOSS'S LAST WORDS

37 GUT-LIKE BIRDS

38 ITALIAN ARTIST

40 NOTCHED

41 HUMANKIND

44 FRAME PART

45 BRIAN BORU'S LAND

46 MAKES HARD TO READ

48 NOUN AFTER A VERB: ABBR.

51 WITHOUT A CLUE

53 FACTORY SECOND: ABBR.

54 CROCHERY FOLK

56 TOOK UP RESIDENCE

59 MARCH GRAS MASK

61 HUNTER

64 RELIGIOUS TITLE

65 IMPROVISED, IN MUSIC

66 EDUCATIONAL ORG.

67 RAN INTO

Down

1 YOU CAN BELIEVE IT

2 WARM UP

3 FIELD MOUSE

4 "SOPHIE'S CHOICE" ROLE

5 FLIPPANT FELLOW

6 IOWA STATE'S HOME

7 SURFACE FOR PAINTING

9 EIGHTFOLD

10 MOLLIE HYPOCRITE

11 TROOP ENCAMPMENT

12 FIRST NAME IN TV TALK

13 SOUND BETWEEN SKYE AND SCOTLAND

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23 FILE SUBJECT

25 SHE WAS SYLVIA IN BROADWAY'S "THE WOMEN"

27 THE ROUNDS

28 1950 FESTIES HIT

30 POPULAR SNICKER

32 COFFEE CONTAINER

34 IT MAY HAVE BROAD SHOULDERS

35 SALLINGER GHT

36 FIVE-TIME PRESIDENTIAL CANDIDATE

38 DANGEROUS DEITY

42 SUPPLY

43 MEOWLS

47 ACKNOWLEDGE

48 CHICAGO'S FIRST MAYOR WILLIAM

49 FUZZY REMEDY

50 FAMILY-SIZE

52 ON BOTH SIDES: PREFIX

53 EASY TO TAKE

57 "STRAIGHT THE ROCKS?"

58 DETAIL

59 AIRPLANE PART

62 ALPHABET SNIPPET

France's Blackouts of Sports Events Criticized in Parliament

Agence France-Presse

PARIS — Guy Druet, the 1976 Olympic hurdle champion and a member of Parliament, has demanded that France's minister of sports redraft the law that bans alcohol advertising after two major televised sports events were blacked out last week.

"We need to look into finding a European standard to take into account both sport-

ing interests and health care," Druet said.

The European Cup Winners' Cup soccer quarterfinal between Auxerre and Arsenal in London and the Five Nations rugby championship match between England and Scotland were not telecast in France because of the law.

"It's incredible that an exception can be made for Formula One motor racing and

figure skating but not for football and rugby," said the French rugby federation's president, Bernard Lapasset.

There may indeed be a change after the French presidential elections, because if the winner is Jacques Chirac, who currently leads in many polls, then Druet, a long-term supporter, is likely to be made sports minister.

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New York Times Service

Art as Memory: Filmmaker's Vietnam

His apparent confidence on this point may reveal a slight defensiveness. Despite his critical successes, he has not always found full acceptance among his



In the West, for better or worse, he is viewed as a Vietnamese filmmaker, but in Vietnam he is still regarded as an outsider. In the end, he occupies an

Paradox is an apt word for Hung and his oeuvre. Ambitious and bold, it is the work of a man, who, though shy by nature, feels compelled to explain himself. He lives with the chronic fear of being misunderstood, a dilemma he shares with Vietnam and its people. In the end, this is perhaps the one thing that indisputably unites them. The strange yin and yang of gentleness and violence that he is at such pains to explain is Vietnam's paradox as well.

Carey Zesiger is a free-lance writer living in Vietnam.

Tony Curtis was named a knight in France's Order of Arts and Letters. "At last I'm French," he told a group that included U. S. Ambassador Pamela Harriman, director Roman Polanski, and actresses Claudia Cardinale and Marisa Berenson.

Forecast for Saturday through Monday, as provided by Accu-Weather

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Report	Depth L to U	U Piles	Reas. Plans	Score State	Last Show	Comments
Anderson Pas de la Casa Soldeu	65 100 40 100	Good Fair	Open Fair	spring Open spring	6/3 8/3	Reas't fully open, good spring Reas't fully open, spring still
Andorra Ischgl Kitzbühel Oberbergisel Garmisch St. Anton	65 210 40 190 55 140 60 140 105 480	Good Good Good Good Good	Open Open Open Open Open	Pwdr Pwdr Pwdr Pwdr Pwdr	22/3 22/3 21/3 22/3 21/3	All 41 lifts open, great piste all 22/3 35-64 lifts open, upper excellent 21/22 lifts, great skiing at all lev 22/3 20-80 lifts open, lovely piste all 20/3 30/35 lifts open, superb snow
France Alpe d'Huez Les Arcs Tignes Chamonix Courchevel Val d'Isere Méribel La Plagne Chamonix Tignes Val d'Isere Vail	210 480 180 450 255 445 100 620 200 365 120 420 55 340 55 360 230 420 230 420 230 320 190 370 195 345	Good Good Good Good Good Good Good Good Good Good Good Good Good	Open Open Open Open Open Open Open Open Open Open Open Open Open	Var Open Open Open Open Open Open Open Open Open Open Open Open	20/3 20/3 20/3 20/3 20/3 20/3 20/3 20/3 20/3 20/3 20/3 20/3 20/3	77-82 lifts, excellent spring sk 71-79 lifts, new perfect sking All 41 lifts open, superb sking 26-48 lifts, superb skiing all lev All 65 lifts, excellent piste all lev 20-80 lifts open, great sking all lev 39-41 lifts, some off piste pow All 30 lifts, wonderful conditions 104-112 lifts open, excellent sk 57-72 lifts, superb snow, g All 49 lifts, excellent all levels All lifts open, fabulous piste all All 28 lifts, great powder
Germany Garmisch Oberstdorf	10 400 30 290	Good Good	Open Open	Pwdr Pwdr	22/3 22-27	29/38 lifts, upper runs all 22-27 lifts, excellent skiing
Italy Sestria Cortina Cervinia Cortina	50 185 80 400 15 90	Fair Good Fair	Some Open Open	Var Pwdr Pwdr	20/3 20/3 20/3	15, 16 All 27 lifts, excellent conditions 35-40 lifts, very bare patches

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Report	Depth L to U	U Piles	Reas. Plans	Score State	Last Show	Comments
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— *Journal of the American Medical Association*, 1964, 191: 1001-1002.

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Journal of Management Studies, 36(7), 809-826.

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